



# ***Daily Report***

# **Sub-Saharan Africa**

FBIS-AFR-90-092  
Friday  
11 May 1990

# Daily Report

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## **Chad**

### **Habre's Forces 'Completely' Defeat Rebels**

*LD1005193190 Paris International Service in French  
1830 GMT 10 May 90*

[Text] In Chad, the forces of Hissein Habre say they have completely defeated pro-Libyan rebels at the border between Chad and Sudan. For the first time since the resumption of fighting in mid-April, Libyan mercenaries have been captured, says President Hissein Habre.

## **Zaire**

### **Minister Announces Measures on Student Unrest**

*AB1005150090 Dakar PANA in French 1017 GMT  
9 May 90*

[Text] Kinshasa, 9 May (AZAP/PANA)—The new Zairian government had to tackle the student unrest problem in Kinshasa during its first meeting, an authoritative source disclosed. During the meeting, Prime Minister Lunda Bululu, who chaired the meeting, was briefed on the death of a law student detained under terrible conditions and beaten to death by some of his fellow students from the Kinshasa University campus with whom he did not share the same political views.

Also on the subject of the unrest was a report that some parliamentarians were molested by students in Kinshasa who completely disregarded their dignity as men, heads of family, and assemblymen. Other acts of vandalism were perpetrated against institutions of higher education and university buildings, as well as students disrupting classes and lectures at some Kinshasa primary and secondary schools.

In his report, which was read at the meeting, Ngongo Kamanda, the minister of information, culture, and arts, and spokesman for the government, reiterated the government's determination to carry out—in an orderly, serene, and respectful manner—the profound political reforms that were announced on 24 April by the head of state. He announced a series of measures brought about by the current situation: the expulsion from the university and other higher learning institutions of all students guilty of vandalism; the introduction of legal action against the same students; and finally, the organization of general elections at all institutions of higher education, universities, and scientific research institutions in order to elect representatives for all student bodies.

The government, the information minister concluded, is hereby reminding all Zairians that in Zaire, like anywhere else in the world, there are laws which, when violated, expose the culprits to legal action in accordance with common law regulations.

## Djibouti

### Ruling Party Condemns Somali Accusation

EA0905200390 Djibouti Domestic Service in Somali  
1700 GMT 9 May 90

[Text] The members of the political committee of Popular Rally for Progress, RPP, met today under the chairmanship of the prime minister of the Republic of Djibouti, who is the first chairman of the RPP. [passage indistinct]

The members of the RPP political committee vehemently condemned the baseless and unfounded accusation levelled against it by the Government of Somalia which accused it of having violated Somalia's territory.

Members of the committee said unanimously that such base accusations against Djibouti by Somalia is aimed at destabilizing the country and its intentions are incomprehensible.

The Republic of Djibouti's policy is based on nonalignment and good neighborliness and noninterference in the internal affairs of other countries, and respect for international charters as well as those of regional organizations.

In view of our belief in these ethics we have refrained from taking any action which could harm our brotherly relations with Somalia).

The Republic of Djibouti will use anything at its disposal to maintain internal peace and the national unity of its people and to ensure their peace and security.

The RPP Political Committee has called on its people to guard against any intrigues which might be used to divide them and to oppose any move of any sort or conspiracy aimed at plunging the country into untold chaos by [word indistinct]. The Political Committee has decided to institute [passage indistinct].

## Ethiopia

### Rebels Appeal for UN-Supervised Referendum

EA1005113490 (Clandestine) Voice of the Broad Masses of Eritrea in Tigrinya 0400 GMT 9 May 90

[Text] Esteemed listeners, we now present a timely statement which is of current concern, issued by the Eritrean People's Liberation Front [EPLF] yesterday, calling on the United Nations to hold a referendum in Eritrea.

The EPLF recalls that after World War II and their liberation from Italian colonial rule, the Eritrean people were suppressed by the United States and its allies for global strategic purposes and were not allowed to decide their own destiny. They were denied their right to self-determination and were forced to live under British

colonial rule for 10 years. They were forced into a federation with Ethiopia against their wishes.

The Eritrean people waged a democratic and political opposition struggle against the unjust federal yoke, for the sake of their rights. They suffered under the violent force of Haile Selassie and when no one heard their cries, they were obliged to wage a legitimate armed struggle in 1961. The Haile Selassie regime, exploiting the bonds of federalism by which the Eritrean people were tied and encouraged by the existing international political situation, violated the federal agreement and arrogantly declared that Eritrea was part of its territory in 1962. The United Nations failed to fulfill its duty of condemning the illegal acts.

The Haile Selassie regime imposed bitter colonial rule on Eritrea from 1961-1974, supported by the United States and its allies. The EPLF recalls the policy of slaughter, burning, and looting it implemented, in order to stop the just struggle of the Eritrean people and subject the people to displacement and exile.

After the downfall of the Haile Selassie regime and the Dergue's seizure of power, the USSR and its allies intervened, and the unparalleled devastation suffered by the Eritrean people was aggravated. The EPLF realizes that the United Nations will be held responsible for this.

The struggle of the Eritrean people is nearly 50-years old, 29 years of which was an armed struggle. They faced problems and obstacles, and struggled firmly to attain justice and the right to self-determination, and hence they, unwaveringly, confirmed their position to the world.

The talks held between the EPLF and the Dergue government with the mediation of the GDR Government in 1977 and 1978 failed, due to the arrogance of the Dergue and the sabotage and threats of the Socialist Unity Party of Germany.

The EPLF proposal to hold a referendum, to bring about peace, on 20 December 1980 was fruitless. The two futile limited contacts made in 1982 and 1985, on the basis of the EPLF proposals to hold a referendum, and in order to create a situation conducive for talks, failed due to the Dergue government's rejection of talks without any preconditions and without the presence of observers. Hence, the attempt reached an impasse.

In the peace talks initiated by former U.S. President Carter and held in 1989, the Dergue government created obstacles over the participation of observers, and exploited the complications created by former President Carter, and hence the attempt could not achieve its goals.

The EPLF reasserts that the Eritrean issue is not an internal issue which concerns the colonialist and invading Addis Ababa regime, but an independent issue, suppressed and (ignored) for about 50 years, for which the world community will be held responsible. It concerns the self-determination of a people. The EPLF

strongly reaffirms that the (?reformist) and charitable solutions being proposed by the invading, colonialist Addis Ababa government and its (?collaborators) are illegitimate, and it rejects them. The EPLF reiterates that the military presence of the Addis Ababa government and other foreign forces in Eritrea is illegal, and urges their withdrawal.

The EPLF calls on the United Nations as a representative of the world community and legitimate organ responsible for the Eritrean issue, to conduct, to supervise, a referendum. It is the only way to bring about a peaceful solution, and thereby ensure the basic rights of the Eritrean people to self-determination. Victory to the broad masses.

[Signed] The Eritrean People's Liberation Front  
[Dated] 8 May 1990

#### State Council Issues Investment Decree 6 May

EA0705110290 Addis Ababa in Amharic to Neighboring Countries 1600 GMT 6 May 90

[Text] The People's Democratic Republic of Ethiopia State Council today issued a special decree on investment, with a view to implementing the new economic policy, by which our country will be guided.

According to the statement of the council in this connection, the special decree clearly defines ways of fulfilling investment tasks smoothly. It defines the areas in which different investors will participate, the benefits they should receive, the contributions they should make towards the speeding up of economic progress, and the structure under which they should operate.

In addition, the business opportunities which should be open to private owners of property, in light of the progress we have achieved, have been extensively dealt with in the investment decree. Regarding agriculture in particular, the statement said opportunities had been created to enable private investors, who could expand modern farming, to participate in the agricultural sector, along with the peasantry, who have organized themselves into cooperatives to help themselves and their [word indistinct].

It is now possible, therefore, for any (?private) investor to buy land which is not held by the peasantry, but is unused, from the government, in the form of a concession. To generate foreign currency, he may begin to produce raw materials for industries and participate in forest and agro-industrial development, as well as in livestock breeding.

With regard to industry, cooperatives or private investors may establish factories in any industrial sector which they believe is beneficial and they may [words indistinct] and beneficiaries [word indistinct] industrial wealth, the statement pointed out. The statement noted that many job opportunities had been created, in particular for those who produce goods, machinery, and

building materials necessary to speed progress in the agricultural and construction sectors.

In the trade sector, private owners of property or cooperatives can work side by side with government trade organizations in domestic and foreign trade in agricultural and industrial goods. In particular, private property owners may participate in any field and establish branches of their businesses—in areas of their choice and as many as they wish. Furthermore, they will have the right to sell, exchange, mortgage property against security, rents, and to give property in the form of gifts or inheritance on behalf of their organizations, the statement further noted.

The statement said the special decree had created circumstances which should give proper encouragement to compatriots to participate in investment. Accordingly, investors who can speed up the country's economic progress, generate foreign exchange, create job opportunities, and create balanced development in the various parts of the country have been given strong encouragement and opportunities.

This being the case, it has been decided that [words indistinct] investors, can, for the first time, import goods necessary to their investment [previous word in English] free from any duty.

#### License Regulations Relaxed for Private Traders

EA1005155590 Addis Ababa Domestic Service in Amharic 1700 GMT 9 May 90

[Excerpts] A news conference has been held on the issuance of local trade licenses to encourage and permit private entrepreneurs to utilize their private capital and expertise in line with the recently released special decree on investment. The news conference was held by the head of licensing department in the Ministry of Internal Trade, Comrade Mekete Dagneu. News reporter Negash Muhammad followed the event and has the details.

[Negash] Although the former trade licensing system was in line with the former situation and produced some good results, it also had some drawbacks for it was based on the availability of products. [passage omitted]

Mekete said that we have learned that in line with the new economic policy issued by the 11th regular session of the Workers Party of Ethiopia [WPE] Central Committee, and after assessing the objective reality of our country and the current international wave of change, there is a need to improve the working of the licensing system. Based on the participation of the state, private and cooperative sectors, this economic policy, which will enhance the economy's trade sector, not only gives a greater role to small-scale traders but also allows the private entrepreneur to participate without any limit on capital. This is aimed at giving a greater role to private traders by avoiding the problems that have been evident in the past in the trade sector of the economy.

In order to facilitate the implementation of this directive and the special decree on investment for the benefit of the trade sector, the licensing system has been improved. Some of the earlier procedures which were linked to the availability of products have been abolished and the system has been improved in line with the new policy directive.

In this respect, the Ministry of Internal Trade used to issue licenses based on the availability of products. However, anybody who wants a trade license can now obtain any type of trade license, provided they have fulfilled all the criteria for the license and they can obtain the products for trade. The regulations which partially or fully prevented traders from being issued with the trade licenses have now been lifted and trade licenses can now be issued as required. [passage omitted]

In addition, the directive that used to ban the transfer of trade licenses from one area to another has been improved and now allows any trader, if he meets the necessary criteria and applies to the relevant departments, to transfer the trade license to any area he wishes. The earlier directives which used to limit the issuance of trade licenses to those who are unemployed, limited licenses to only one per applicant and to individuals alone, have been improved: Now any Ethiopian citizen, without any capital limit, can have more than one trade license, open more than one enterprise and branch, and can carry out his business by forming private or company enterprises in line with the regulations.

A detailed explanation was given on how to delegate, trade, inherit, sell, or transfer trade licenses, and on other related improved trade directives. The improvement of the trade licensing system only encourages private entrepreneurs to invest their capital in the country's development and benefit from it, but is also a good start towards enhancing the economic development of the country.

## Kenya

### Officials To Monitor Activities of Diplomats

EA0705185790 Nairobi STANDARD in English  
5 May 90 p 1

[By Patric Wakhis, Samson Nduati, and KNA]

[Excerpt] A minister of state in the office of the president, Mr. Burudi Nabwera, on Saturday told provincial administration officers to monitor activities and movements of diplomats in Kenya. He alleged that some of the diplomats were out to incite people against the Kenya Government by suggesting that the country should have a multi-party political system.

He said it was the government's intention not to restrict any envoy from travelling to any part of the country, but they should not abuse that freedom by attacking the government.

At the same time, Mr Nabwera and eight other MP's and party leaders in Kakamega District hit out at the U.S. Ambassador Mr Smith Hempstone, and two former cabinet ministers, Mr Charles Rubia and Mr Kenneth Matiba, for advocating a multi-party system "that could cause chaos in the country."

Mr Nabwera, the MPs and party leaders were addressing a well-attended KANU [Kenya African National Union] recruitment drive at Mumias Divisional Headquarters in Mumias Constituency [western Kenya].

The other MPs were the minister for supplies and marketing, Mr Musalia Mudavadi, (Cahatia), KANU national treasurer, Mr Japhet Lijoodi, Shinyalu, Mr Nathan Anaswa, Malaya), Mr. Vincent M'maiti, (Hamisi), Mr John Okwara, Butere, Mr Bahati Semo, (Vihiga), Dr Elon Wameyo, (Mumias), Mr Wasike Ndombi, (Rurambi), Mr Jairo Akibaya (nominated).

Mr Nabwera claimed that Kenyans do not want to be corrupt like America. He alleged that while he was Kenya's ambassador to the U.S., he had learnt that Americans were corrupt while practising a multi-party system. "We don't want our country to slide into chaos, corruption and nepotism after having been misled by foreigners who do not know our values and traditions," he stated. [passage omitted]

### Iranian Culture Minister Meets Foreign Minister

EA0705211990 Nairobi KNA in English 1630 GMT  
7 May 90

[Text] Nairobi, May 7 (KNA)—The minister for foreign affairs and international cooperation Mr. Wilson Ndolo Ayah, today asked various nations to have total respect for each others' sovereignty and their institutions. The minister noted that such respect would enhance peace and better understanding among nations. Mr. Ayah made the call when he held talks at his office in Nairobi with the Iranian minister for culture and Islamic guidance, Mr. Seyyed Mohammad Khatami, who arrived in Kenya today for a three-day official visit.

Saying that no country should interfere with the internal affairs of another, Mr. Ayah pointed out that all countries were equal in terms of the sovereignty of a state. He said it was important to respect institutions of other countries, although nations of the world were dependent on each other. The minister added that trust and respect was vital in creating friendship.

Mr. Ayah noted that Kenya was happy with the progress being made towards the realisation of peace in the Gulf region. He informed the Iranian minister that President Daniel arap Moi was a strong advocate of peace within Kenya and elsewhere. The minister said that Kenya was among the countries which supplied peace-keeping troops to the Iran-Iraq border following a request by the United Nations.



He added that peace was a pre-condition for development and Kenyans were guided by President Moi's nyayo [footsteps] philosophy of peace, love and unity.

On relations between Kenya and Iran, Mr. Ayah said the two countries should develop close trade links in addition to cultural cooperation. He said relations between the two countries had grown even stronger following President Moi's visit to Iran in the recent past.

Mr. Khatami hoped his visit would strengthen further the relations between Kenya and Iran. He said that Iran and Kenya shared similar views on many international issues, especially the need to dismantle apartheid in South Africa. The Iranian minister also noted that Kenya was prominent in the international scene. He termed Kenya's position in the Iran-Iraq conflict as fair.

Mr. Khatami and members of his delegation arrived at Jomo Kenyatta International Airport shortly after 9 A.M. He was met by the minister for culture and social services, Mr. James Njiru, the permanent secretary in that Ministry, Mr. Ben Macharia and senior officials from the Ministry of Foreign Affairs and International cooperation.

### **Somalia**

#### **Prime Minister's Conditions for Multiparty System**

AB1005133890 Paris AFP in English 1218 GMT  
10 May 90

[Text] Mogadishu, May 10 (AFP)—A multi-party system can only be introduced in Somalia if armed opposition groups agree to a ceasefire, Prime Minister Mohamed Ali Samantar told a visiting Italian official here.

Speaking to Italian deputy foreign minister for economic cooperation Susanna Agnelli late Wednesday, General Samantar urged Rome to persuade rebel groups to observe a ceasefire and take part in upcoming elections. Civil war was not in the interest of any party, he said, calling on the opposition to show flexibility and take part in the democratic process. President Mohamed Siad Barre last August 30 announced plans to restore a multi-party system in the Horn of Africa country.

Somalia's main rebel group the Somali National Movement (SNM) is battling government forces in the north of the country while other rebellions broke out last year in the south and centre.

The Italian delegation arrived here Wednesday for a three-day official visit to Somalia during which they will hold talks with government officials on political, economic, social and security affairs.

#### **Emphasizes Need for Cease-Fire**

EA1105220890 Mogadishu Domestic Service in Somali  
1700 GMT 10 May 90

[Excerpts] Welcome, listeners. At his residence last night, Comrade Mohamed Ali Samantar, the Somali

Democratic Republic [SDR] prime minister, met the delegation, led by the Italian deputy foreign minister for cooperation, which arrived in the SDR yesterday for a visit. We devote the first part of today's Panorama program to this matter. Here is Abdi Nur Ileyeh:

[Ileyeh] Comrade Mohamed Ali Samantar and Susanna Agnelli discussed the good relations between Somalia and Italy and issues affecting political, economic, social, and security affairs in general. Comrade Mohamed Ali Samantar briefed the delegation leader on the steps being taken by the Somali Government in connection with the constitutional amendments to be submitted to the People's Assembly and on which the people will vote at the final stage. This system will provide for the establishment of a multiparty system to accommodate the opposition. The prime minister said, however, that the introduction of such a system and of elections will not be possible unless the opposition observes a cease-fire in the fighting, which is not in anyone's interest. He called for the opposition's answer in order to make it possible for these steps to be taken.

He requested the Italian Government, as one of the governments mediating between the Somali Government and the opposition, to work hard to persuade the opposition to stop fighting and participate in democratic elections if they want to lead the country.

Replying to journalists' questions on his meeting with the delegation, Comrade Mohamed Ali Samantar said:

[Begin Samantar recording] [passage omitted] We told the Italian delegation that if the opposition were rebels previously simply because opposition was not allowed in the country, the present constitution provides for the formation of many parties and therefore, opposition is now allowed to exist. We therefore call upon those groups which are fighting and saying that they could not express their views, policies, or wishes inside the country. I told her that when the people are ready to vote, they will have to lay down their arms and accept peace. I requested her to convey this message to the Italian Government and the governments with whom they have relations, to tell them that it is their duty to persuade these groups to accept; that is, if they want the country's administration to be decided on peacefully. [end recording]

### **Tanzania**

#### **Mwinyi Says Certain IMF Conditions Hurt Economy**

EA0905214590 Dar es Salaam Domestic Service  
in Swahili 1700 GMT 9 May 90

[Text] Dar es Salaam—President Ali Hassan Mwinyi has said the second phase of the economic recovery program will emphasize improving social services such as education, health, and water. President Mwinyi said this today at State House in Dar es Salaam in an interview with newsmen from a number of countries who are currently

visiting Tanzania. He explained that improvement of social services was not given prominence in the first phase of the three-year economic recovery program, which began in 1986, due to lack of funds; instead greater emphasis was laid on producing more food and on economic recovery.

During the interview, which was also attended by local newsmen, President Mwinyi said during that period the citizens had been able to produce abundant food especially maize, beans, and rice. He said during the 1986-89 period economic growth was up from 3.3 percent to 4.1 percent compared with a population growth of 2.8 percent per annum on the average.

President Mwinyi said, however, that some of the IMF conditions have been an obstacle to government efforts aimed at revitalizing the national economy. The president mentioned some of the IMF conditions such as a fall in the value of the Tanzanian currency, and an increase in the interest rates for loans from financial institutions.

He said the depreciation of the Tanzanian currency had been a heavy burden for every Tanzanian, especially the ordinary man who cannot afford to buy basic necessities. The outcome, the president said, was an increase in robbery, corruption, embezzlement of public funds, and other social evils.

On the increase in interest rates for loans, the president said this condition did not assist in improving the national economy because, he said, the country's financial institutions were few. They were not near the people, and very few people were able to keep their money in banks. As a result, the president said produce-purchasing institutions failed to implement set targets fully.

#### \* Warioba Urges Economic Cooperation With USSR

90AF0028B Dar es Salaam UHURU in Swahili  
10 Mar 90 p 1

[Text:] Prime Minister and First Vice President Joseph Warioba has urged that economic cooperation between Russia and Tanzania continue for the good of both countries.

Mr. Warioba said that for a long time now the political cooperation between these two countries has been very strong.

The announcement that was issued from his office said that Mr. Warioba explained this in Dar es Salaam yesterday during a visit to his office by a group of Russian envoys led by Mr. Youru Borodin.

"But economic cooperation between us is weak, so we should find a way to strengthen this cooperation," he said.

The prime minister said Tanzania has a plan for freeing the economy from foreign control.

He said the time has come for Russia and Tanzania to cooperate in mutually profitable endeavors.

Moreover, Mr. Warioba wants the international community to pressure apartheid rule in South Africa so that it will bring about a climate for ending segregation in a peaceful manner.

The prime minister said that Tanzania would like to see the apartheid rule of South Africa create an environment that would allow negotiations leading to the disappearance of racial segregation.

The community of nations should continue to put pressure on apartheid rule and force it to hold talks with the African National Congress (ANC) along with other revolutionary groups, he said.

### **Mandela To Meet Mitterrand in Paris on 7 Jun**

AU1105075490 Paris AFP in English  
2245 GMT 10 May 90

[Text] Paris, May 11 (AFP)—South African nationalist leader Nelson Mandela is to meet French President Francois Mitterrand here on June 7, a presidential spokesman said on Thursday.

The announcement of the date of Mr. Mandela's meeting with the French president was made at the close of talks here between Mr. Mitterrand and South African President Frederik de Klerk.

### **Canada's Clark To Meet With Botha, Mandela**

MB1005175090 Johannesburg Domestic Service  
in English 1600 GMT 10 May 90

[Text] The Canadian foreign minister, Mr. Joe Clark, will meet the minister of foreign affairs, Mr. Pik Botha, and the deputy president of the ANC [African National Congress], Mr. Nelson Mandela, at different venues abroad during the next week.

The Canadian high commissioner in Windhoek said that Mr. Clark would stop over in Ireland for talks with Mr. Botha on his way to Nigeria, where he will chair a meeting on southern Africa. He will have talks with Mr. Mandela in Nigeria at the meeting of southern African and Commonwealth committee ministers.

### **PAC Criticizes De Klerk's European Tour**

MB0905201190 Johannesburg SAPA in English  
2004 GMT 9 May 90

[Text] Harare, 9 May (SAPA)—The nine-nation tour of Europe being undertaken by South Africa President F.W. de Klerk came under fire from the Pan Africanist Congress [PAC] of Azania on Wednesday [9 May].

In a statement from its external headquarters in Dar es Salaam, Tanzania, the PAC said the trip was Mr. de Klerk's attempt to break nearly three decades of political isolation and end economic sanctions on South Africa.

"No doubt De Klerk will also be attempting to end the arms embargo. To achieve these obvious objectives, De Klerk has cunningly portrayed himself as a reformer and a man of integrity," the PAC statement, quoted by ZIANA news agency, said.

The organisation claimed that during the visit to Britain, France, West Germany, Belgium, Italy, Greece, Portugal, Spain and Switzerland, Mr. de Klerk would fully exploit his carefully cultivated image to demand understanding and reward from the international community for the "so-called steps" he had taken so far.

"The crucial question is: What has De Klerk done thus far which warrants a reward?" asked the PAC.

### **President Continues Tour, Visits Athens**

For Greek reportage on the official visit by President De Klerk to Athens, including reports on his talks with President Karamanlis and Prime Minister Mitsotakis, please see the Greece section of the 11 May West Europe DAILY REPORT and subsequent issues.

### **Possible Lifting of EC Sanctions Noted**

MB1005182390 Johannesburg International Service  
in English 1100 GMT 10 May 90

[Text] Details of a Dutch plan for the phased lifting of sanctions against South Africa have been published in the Dutch press and the proposal is said to have been presented to the ministers of foreign affairs at the European Community about three weeks ago. Fritz Greveling reports:

[Begin Greveling recording] The Netherlands has proposed to its partners in the EC that the existing political and economic sanctions against South Africa be lifted in six phases as progress is made with the dismantling of the remaining apartheid.

The Dutch proposals were published in the influential daily NRC HANDELSBLAD a day after Foreign Minister Hans van den Broek told parliament at The Hague that President F.W. de Klerk would be welcome to pay an official visit to the Netherlands during a next overseas tour.

The ministers of foreign affairs of the EC will discuss the Dutch plan for the lifting of sanctions at their next meeting within the framework of the European Political Cooperation Agreement, which aims to align the foreign policies of the 12 member states.

The first phase of the plan calls for the lifting of national restrictions imposed by member states. This would be followed by the lifting of EC sanctions in five steps. As far as national sanctions are concerned, the Dutch Government is thinking of relaxing its strict visa policy and the revival of the cultural treaty between the Netherlands and South Africa.

The second phase proposed by Holland would entail the lifting of the embargo on new investments in South Africa. British Prime Minister Margaret Thatcher one-sidedly lifted her country's ban on new investments in South Africa after the release of ANC [African National Congress] Deputy President Nelson Mandela.

The Hague proposes the lifting of the EC embargo on fresh investments once all political prisoners have been released and the state of emergency has been lifted. Once real negotiations between the South African Government and black opposition groups get under way, the Dutch initiative calls for the withdrawal of the 1986 ban on the import of iron, steel, and gold coins from South Africa by member states.



As progress is made to normalize the situation in South Africa, Holland proposes the lifting of the oil embargo, withdrawal of military sanctions, the resumption of supplies to the police, and as a final step, the lifting of the mandatory arms embargo imposed by the United Nations in 1977.

This last step should, according to the Dutch plan, coincide with the final and official scrapping of apartheid. By the time the Dutch plan for the phased lifting of sanctions is discussed by the EC's ministers of foreign affairs, President de Klerk will have visited the capitals of eight of the 12 member states. [end recording]

### **PAC Official Criticizes Spain on Relations**

*MB0905195990 Johannesburg SABA in English  
1949 GMT 9 May 90*

[Text] Harare, 9 May (SABA)—The Pan Africanist Congress [PAC] on Wednesday [9 May] accused Spain of undermining the aspirations of the black majority by lifting a three-year suspension on freight flights to South Africa, reports Zimbabwe's news agency ZIANA.

Reacting to the decision by Spain's Iberia Airline, PAC chief representative in Zimbabwe, Thobile Gola, said by acting on the Groote Schuur meeting, Spain was also creating the impression there was only two contending forces in the South African conflict.

"It is disturbing that Spain, which always took a principled position against the apartheid regime, decided to restore flight links with South Africa under the excuse of encouraging and promoting dialogue between the government and the ANC," said Mr. Gola.

Mr. Gola said negotiations had not even started in South Africa yet, and Spain was creating a dangerous precedent which could be fully exploited by countries that always opposed sanctions.

### **ANC Official Criticizes Pretoria-Madrid Ties**

*MB0905193590 Johannesburg SABA in English  
1816 GMT 9 May 90*

[Text] Harare, 9 May (SABA)—The African National Congress [ANC] chief representative in Zimbabwe, Mr. Max Mlonyeni, on Wednesday [9 May] condemned as hypocritical Spain's decision to reschedule freight flights to South Africa and its alignment that it was considering lifting a ban on sports and entertainment links, O ZAINA news agency reports.

He said these decisions put Spain in the category of countries condemned by Zambian President Kenneth Kaunda for putting economic gain before the need to end apartheid.

South Africa has done nothing materially so far to be rewarded—apartheid is still 100 per cent intact, he said.

Mr. Mlonyeni said President F.W. de Klerk's current trip to Europe was simply an attempt by South Africa to break out of its international isolation.

It was reported on Tuesday that Spain had agreed to resume freight flights to South Africa, which were suspended three years ago.

A Spanish Foreign Ministry spokeswoman said Spain was also considering lifting a ban on sports and entertainment visits.

She said the partial lifting of sanctions reflected progress in negotiations between Pretoria and the EC and was connected with the forthcoming visit to

### **ANC, UDF Call on State To Prevent Violence**

*MB1005012390 Johannesburg SABA in English  
1712 GMT 10 May 90*

[Text] Johannesburg, 10 May, (SABA)—The ANC [African National Congress] has strongly condemned increasing right-wing violence which it says has claimed the lives of five people in Boksburg and Pretoria with the possibility of more deaths as violence continued in other parts of the country.

In a statement in Johannesburg Thursday [10 May], the ANC's department of information and publicity said it called on the government to take immediate action to put a stop to the "indiscriminate violence against innocent people."

"The ANC wishes to reiterate its belief that the root cause of racial violence in South Africa is the apartheid system, and the only guarantee for peace and stability in the total eradication of all racial laws and the establishment of a unitary non-racial democratic South Africa."

In a separate statement, the UDF [United Democratic Front] said the spiralling violence against unarmed and defenceless people in Boksburg should be condemned in the strongest terms.

"Such acts can only lead to a further polarisation of race relations inside the country."

"The UDF cannot but blame the system of apartheid for this senseless violence in pursuit of racist beliefs. It is our belief that the government knows too well who these elements are and can act immediately against them."

The UDF said unless the government acted with the urgency the situation demanded, the right-wingers would continue to act undeterred. The government was duty bound to protect all its citizens without discriminating on the basis of race, colour or belief.

"We demand that the government immediately disarms all white civilians who are not connected to either the security of police forces. The policy of arming whites indiscriminately must be stopped with immediate effect," the statement said.

### ANC Receives Letter From Iranian Leader

MB0905111990 Johannesburg SAPA in English  
1106 GMT 9 May 90

[Text] Johannesburg 9 May (SAPA)—Conditions in South Africa are favourable for co-operation between Iran and the African National Congress [ANC], Iranian leader Ali Akbar Hashemi-Rafsanjani said in a letter to Deputy ANC President Nelson Mandela.

The letter, which was sent to Mr. Mandela by the Foreign Affairs Ministry of Iran, was received by the ANC on Wednesday.

He said Iran had always been the supporter of the "heroic struggle of the great nation of South Africa in the cause to eliminate racism and the white hegemony over the destiny of the majority of South Africans".

It was evident that joint co-operation would make the achievement of goals such as freedom and guidance of humanity easier.

He congratulated Mr. Mandela on behalf of the Islamic Republic of Iran and said Iran was ready to co-operate and exchange views.

He said he hoped Mr. Mandela would visit Iran at an "appropriate opportunity."

### ANC's Gwala Criticizes Zulu King's Speech

MB1005201690 Johannesburg SAPA in English  
1854 GMT 10 May 90

[Text] Pietermaritzburg 10 May (SAPA)—King Goodwill Zwelethini's speech in Ulundi last week stating the African National Congress [ANC] was intent on disrupting chiefs' unity as means of destroying Zulu power has met with criticism from ANC Midlands leader Harry Gwala.

Referring to the king's statement that ANC attacks were not really attacks against Inkatha or the kwaZulu government but against the people of kwaZulu because they were Zulus with a proud record, Mr. Gwala said that to talk of the ANC in this way "is to sink below political objectivity and engage in the worst form of tribalism".

Describing the king's speech as "unfortunate" Mr. Gwala said the king himself came from a generation of ANC members.

Mr. Gwala said it was unfortunate that the king—who is regarded as someone above party politics and a person who extended his invitation to the leaders of the ANC to discuss the painful question of violence in the Natal region—should be seen to have involved himself in a mud-slinging campaign against the people he had been trying to meet to solve this problem.

"His great-grandfather, King Dingizulu, was one of the first honorary life presidents of the ANC when it was formed in 1912. It was not the ANC that drove the chiefs

out of the ANC, but the National Party government when it passed the Bantu Authorities Act in 1956," said Mr. Gwala.

"The ANC has always respected and honored the chiefs and kings in leading their people in the struggle during the wars of dispossession," Mr. Gwala said.

### Foreign Ministry on Namibian Businessman Issue

MB0905171990 Johannesburg SAPA in English  
1659 GMT 9 May 90

[Text] Pretoria, 9 May (SAPA)—The Department of Foreign Affairs on Wednesday [9 May] expressed its concern about media reports regarding the alleged dire conditions former Bushmen servicemen found themselves in at Omega [base] in Namibia.

A department spokesman said the Bushmen had chosen to stay in Namibia rather than be relocated to Angola, Botswana and South Africa.

"Although the remaining servicemen and their dependants are now the ... responsibility of the Namibian Government, the Department of Foreign Affairs, is consulting urgently with other government departments to examine all means of rendering immediate humanitarian aid with the cooperation of the Namibian authorities," the spokesman said.

The Namibians were advised some time ago funds recently allocated for the benefit of ex-servicemen were being held by the South African interest office in Windhoek, pending an indication from the authorities there of an adequate mechanism for the payment of the benefits.

The department said the matter was receiving the urgent attention of the Namibian Government.

### Environment Minister Opens Parliamentary Debate

MB0805160990 Johannesburg SAPA in English  
1439 GMT 8 May 90

[Text] Parliament, 8 May (SAPA)—South Africa had stepped on the road irreversibly of political, social and economic reform which would be of no avail if attitudes toward the country's natural environment were not also reformed, the minister of environment and water affairs, Mr. Gert Kotze, said on Tuesday.

Opening the debate on his vote, he said the government was greatly concerned about the welfare of the environment.

It had therefore long ago started to ensure that the environment was conserved and properly managed.

Environmental education programmes would be continued on an on-going basis.

South Africa also played an important role in many international forums.

The deputy minister of education and culture in the House of Representatives, Mr. Abe Williams, said South Africa would not succeed with its environmental actions unless the total population was involved.

He was concerned that too much emphasis was being put on the developed sections of the community.

Mr. Williams said the ordinary man was being pushed out of the fishing industry, with the only happy elements at present being the big companies.

The fishing community was in dire need of upliftment.

Segments such as crayfishermen could also play a role in promoting tourism.

Mr. C.B. Schoeman (CP, Nigel) said monitoring of pollution, especially of rivers, was not receiving enough attention.

St. Lucia in Natal should not be allowed to be damaged for the sake of short-term gain.

#### Minister Viljoen Calls for Constitutional Talks

*MB1005143390 Johannesburg SAPA in English  
1354 GMT 10 May 90*

[Text] Parliament 10 May (SAPA)—The state was winning the armed conflict against the ANC [African National Congress] but had decided that a political solution would be a better way of bringing about lasting stability, the minister of constitutional development, Dr. Gerrit Viljoen, said on Thursday [10 May].

Speaking in his vote of the budget, he said the government was willing to engage in wideranging and inclusive talks with all parties.

The ANC would have to be drawn into the talks or at least at their commencement. There were many black leaders who were impatient that the talks begin as soon as possible. It was only the ANC that saw obstacles in the way of the negotiation process and these had been discussed at the recent talks between it and the government.

There had been no discussion about constitutional matters at these talks but were purely about ways of removing the obstacles that still stood in the way of getting negotiations off the ground.

#### Government Committee Assesses Marginal Gold Mines

*MB0805171890 Johannesburg SAPA in English  
1701 GMT 8 May 90*

[Text] Parliament, 8 May (SAPA)—The deputy minister of finance, Dr. Org Marais, had been appointed chairman of an inter-departmental committee that was looking into the problem of marginal gold mines and the low gold price, the deputy minister of mineral and energy affairs, Dr. Piet Welgemoed, said on Tuesday.

The report was nearing completion, and it was hoped that the committee would soon be able to offer broad guidelines to the cabinet.

The cabinet was concerned at the possibility of mines being closed down.

The gauge being used to define a marginal mine was that of the Chamber of Mines, which had identified 13 such mines. To this he was able to add another five mines not affiliated to the chamber.

The legislation on aid to gold mines had been scrapped by the cabinet in 1968, and any future aid would have to be on an ad-hoc basis, taking into account the characteristics of each mine.

"But the community outside there must not expect that we will keep gold mines going where the ore is already being exhausted, such as Stilfontein.

"We must make a very clear distinction between those that will be viable with aid and those that are at the end of their lives."

#### Vlok Seeks To Ease Welkom 'Racial Tension'

*MB1005112190 Johannesburg SAPA in English  
1156 GMT 10 May 90*

[Report by Neil Oelofse]

[Text] Welkom, 10 May (SAPA)—Law and Order Minister Adriaan Vlok, in Welkom on Thursday [10 May] to defuse racial tension arising from the black consumer boycott on white business, met leaders from both sides of the racial divide.

Although reported by the AWB [Afrikaner Resistance Movement], a delegation representing Welkom's ultra right-wingers refused to meet Mr. Vlok where he was holding discussions at the local police station.

Welkom AWB leader, Mr. Blikkies Blignaut, who arrived with several armed, khaki-clad members, said the AWB was not prepared to meet the minister at this stage.

Their Landrover carried a sticker reading: "If guns are outlawed, how can we shoot the liberals?"

Members of the Thabong Civic Association who met Mr. Vlok on Thursday, said the minister had promised to restrain white right-wingers from assaulting blacks, but the consumer boycott would continue until something concrete was done to defuse the situation.

Riot police chief Jumbo van de Wall, who on Tuesday sent between 350 and 400 additional policemen to Welkom, arrived at the Welkom police station by helicopter and told reporters he did not believe the situation was too serious.

He made it clear police would act to prevent clashes between white right-wingers and black people. Meanwhile, police on Thursday morning swooped on Thabong township, arresting 2,156 men found in single-quarter hostels. Local police spokesman Maj. Johann Fouche said 2,114 were released after being warned for trespassing hostel premises. The remaining 42 arrested were being held on various criminal charges, including illegal immigration, illegal possession of gold, and possession of dagga [marijuana].

Maj. Fouche emphasised the police swoop had nothing to do with Welkom's simmering political situation.

### Cape Administrator Urges Strikes Talks

MB0905174790 Johannesburg SAPA in English  
1639 GMT 9 Nov 90

[Text] Port Elizabeth, 9 May (SAPA)—The best way to resolve differences and settle problems was through discussions, Cape Administrator Mr. Kobus Meiring, said in Port Elizabeth on Wednesday [9 May].

Mr. Meiring, who was referring to the recent strikes at Cape Peninsula hospitals, was speaking at a function to commemorate the start of the construction of phase 2 of the Dora Nginza Hospital.

His administration had great understanding for the legitimate grievances and needs of the workers, and had tried to reach a fair and mutually acceptable solution to the problem.

Mr. Meiring said great progress had been made in this connection and he was convinced discussion was the best and most desirable method in order to resolve differences.

### Police Union Demands Government Rehire Officers

MB0905125490 Johannesburg SAPA in English  
1011 GMT 9 May 90

[Text] Cape Town, 9 May (SAPA)—The Police and Prisons Civil Rights Union (POPCRU) on Tuesday [8 May] demanded that all suspended and dismissed prison warders and policemen, who are members of POPCRU, be reinstated in their jobs.

W/O [warrant officer] John Jansen, vice-president of POPCRU, said the ministers of justice and police would lose all credibility should they refrain from reinstating POPCRU members who were dismissed because of the "philosophy of apartheid".

He said POPCRU members were given till April 21 to appeal their dismissals and lawyers acting for POPCRU had applied for an extension of this period and that appeals would be lodged in due course.

POPCRU members tried to return to work on Tuesday May 8, but were refused access to police stations and prisons.

### Bophuthatswana Announces Cabinet Reshuffle

MB0905124990 Johannesburg SAPA in English  
1001 GMT 9 May 90

[Text] Mmabatho, 9 May (SAPA)—The Bophuthatswana Government on Wednesday officially announced a cabinet reshuffle following the death of the minister of foreign affairs and information, Mr. Solomon Letsoane Rathebe last month.

BOPANA, the government mouthpiece reports the Departments of Foreign Affairs, Information, Post and Tele-communications, Works and Education are all affected by the reshuffle.

Mr. Mokgadi Gert Nkai, former minister of education, is now the minister of foreign affairs and information and Mr. K.C.A.V. Sehume, formerly minister of post and tele-communications, has now been appointed minister of education while the deputy minister of works, Mr. M.Z. Masilo has now been appointed minister of post and tele-communications.

### Transkei Lifts Ban on Political Activity

MB1005175690 Umtata Capital Radio in English  
1500 GMT 10 May 90

[Text] Transkei's military government has lifted all restrictions on political activity. Military leader Major General Bantu Holomisa says after consulting various political organizations it has been decided that there is no longer a need for anybody to be prevented from espousing any political view.

He has called on all people to respect the rights of others to express their views freely without fear of intimidation. Holomisa has also warned that the security forces will not allow people to trample on the rights of others.

### \* Experts Debate Post-Apartheid Economy Issue

#### \* Introduction to 'Great Debate'

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(Special Supplement) in English  
30 Mar-4 Apr 90 pp 1, 12

[Introduction to the 'Great Debate' by Alan Hirsch: "After 42 Stale Years, a Rush of New Ideas"]

[Text] It has become trite to note that the answer to South Africa's economic problems is neither capitalist or socialist. All commentators within the bounds of sensible debate accept that the question is rather: what should be the mix of public and private enterprise, and what the degree of state intervention in the distribution of income and wealth, and in markets.

Yet it is far from clear what most major parties are calling for, never mind what kind of system we are likely to end up with. This supplement is intended to exhibit a range of some of the more influential views. The following articles pinpoint the central issues because they



are written by a cross-section of our most influential economic thinkers: the general secretary of the South African Communist Party, a senior Anglo American executive, representatives of the Chamber of Mines and the National Union of Mineworkers, and leading socialist and free market economists.

Two things are noticeable about their arguments. The first is that none of the contributors have ready-made solutions; all have thought hard about possibilities and probabilities as if for the first time. It seems as if we have all been lulled into mental inaction by 42 years of National Party rule. Business and its thinkers recognise discrimination and oppression, and that some of them have gained from apartheid's low-wage economy.

For years things had just fallen into place, and more recently business simply coped with stagnation as best it could (like setting up rand hedges). Though some economic thinkers linked with business continue to mouth platitudes about the virtues of free choice and small government, others, such as the Consultative Business Movement, for example, seem to be working towards a policy framework that takes economic and political realities into account.

Though one might think formulating policy would be easy for capital, especially in the era when it seems that the free market has triumphed, there are two ponderable problems. The one is the fact of power—that democracy will not work in South Africa if the masses are not brought into the economy in a meaningful way. The other is that the most successful capitalist countries today are not free market Britain and the United States, but social democratic Germany, and corporatist Japan.

Opponents of apartheid have for so long been removed from power that they are out of the practice of formulating economic policies. Most socialist economists were content to produce sophisticated critiques of government policies and only in the last few months have they started thinking about how to rebuild an economy.

The recent exposure of the weakness of the Eastern European economies has probably had a smaller effect on the work of socialist economists than many think. Soviet economists recognised the failure of their country to make the transition to a sophisticated consumer-oriented society 30 years ago—they just couldn't work out what to do about it, especially without an initiative for political reform.

The rise of the Solidarity trade union in Poland a decade ago emphasised the inability of the Eastern European countries to satisfy their working classes—the class that is meant to drive socialism forward. Yet socialist economists have not felt the need to put forward clear socialist alternatives for South Africa until very recently.

The absence of fully developed agendas on both sides might take some of the ideological sting out of the negotiations process, but it also means that economists

on all sides are going to have to set aside their routine work and start constructing policy proposals.

The second noticeable aspect about the contributions was the common spirit of deep concern about the fate of the economy. The writers recognise that the period of transition to democracy could scar South Africa for a long time (as if we don't have enough scars already), and that to avoid economic disaster the contending forces should seek to explore the extent of common ground between them. This does not necessarily entail backing down on principles.

The contributions also reflect the rise of several new initiatives to think, research, and write about prospects for the future of the South African economy. One such initiative is the Cosatu [Congress of South African Trade Unions]-linked Economic Trends group which is due to bring out a book shortly on the causes of the economic crisis. Among others, Stephen Gelb and David Lewis have all contributed to the book. The next phase of the Economic Trends project, begun last year, is to examine prospects for the economy, and to assess policy alternatives. Another project is the Economics Commission of the Centre for Development Studies—an ANC/MDM [African National Congress/Mass Democratic Movement]-backed project to sponsor research into economic policy issues. The Centre for Development Studies, a national project based at the University of the Western Cape, also has commissions looking into land policy and planning, health, and education policy.

In the arena of competing political forces and ideas there would seem to be two ways that the contest for economic policy for a new South Africa might be settled. One is in a process of political negotiations where bargains are made on the basis of relative power. Policies might be traded like horses—for example, the privatisation of Eskom for a revamped social security system. The government's unilateral privatisation programme takes us towards this type of approach. In this scenario there would seem to be a strong possibility that the mix chosen is far from optimal for South Africa.

The other, more idealistic option is that political leaders use the opportunity of political revolution to introduce a set of policies, a mixture of intervention and the market, that seems ideally suited to achieving twin targets of growth and redistribution in South Africa.

Many of the contributors to this supplement have argued for a mix of market and state not simply for political reasons, but because recent economic history seems to have pointed to the strengths and weaknesses of both in developing countries.

At this relatively early stage of the debate there may still be a little room for idealism. In the end it seems likely that the policies reached once we get to a democratic South Africa will be decided in a process somewhere between the two poles sketched here. Yet there may still be time and space to begin developing institutions which

would tilt the balance away from horse trading and towards measured economic policy formation.

#### \* Path to Socialism

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(Special Supplement) in English 30 Mar-4 Apr 90 p 2

[Article by Jonathan Barrett, a lawyer who works in the life assurance industry: "The Mutual Life Path to Welfare." The path to socialism lies with the mutual life associations, argues this unusual contribution to the 'socialism' debate.]

[Text] It may be said with certainty that if a government was elected in South Africa tomorrow by universal suffrage it would have a socialist orientation. It's not clear precisely how doctrinaire its policies would be and to what extent it would wish to participate in the economy by means of nationalisation.

In a country in which there is a high degree of state ownership of industry and central or municipal control of public utilities, as has developed under the national socialist policies in South Africa over the past 40 years, a change in government would mean little more, administratively speaking, than a change in the relevant boards of control.

Conversely where a culture of state ownership does not exist or where state-owned industries have been privatised, the problems facing a collectivist government wishing to exercise this type of control become immense.

Normally, there would be three basic methods a socialist government replacing a capitalist one would adopt if its programme included nationalisation of industries:

- To declare the existing ownership void and simply seize control, as happened in Cuba.
- To nationalise compulsorily but with the provision of compensation to shareholders, as happened in post-war Britain.
- To nationalise voluntarily and with the provision of compensation—clearly the most diplomatic method and the one favoured by Zimbabwe.

The first option would cause the South African economy to become an investor's pariah in a way which sanctions could never hope to achieve.

The other options would cause funds to be diverted from social necessities to ideological desirables at a time when money would be most needed.

Such dilemmas would be much greater if the present government fulfilled its promise to undertake a major programme of privatisation. Privatisation would establish a structure which would hamper, if not negate, the possibility of the establishing of a socialist regime.

It's worth noting that since the plebiscite unfavourable to his rule in Chile, General Pinochet, already a fervent adherent of Milton Friedman's *laissez faire* Chicago School, has been making great efforts to ensure that there

will be no state-owned assets to be inherited by any future socialist government.

A socialist government in South Africa would face the Herculean task of balancing the demands of a growing and expectant electorate for social projects such as housing and education against a desire to control the economy through ownership.

One should also not discount the power of the likely call for retributive nationalisation or confiscation—to ignore it could be politically dangerous, but to obey it, economically disastrous.

However, there is one simple way in which control of a significant portion of the economy could be achieved without nationalisation: by assuming control of the two giant mutual life assurance associations, Old Mutual and Sanlam.

As mutual associations, they do not have shareholders who must be compensated. Instead they are owned but not controlled by policy holders, whose interests should not be adversely affected by a government-appointed top tier of management.

Arguably the two societies, by virtue of their greatly diversified investment portfolios, have a more relevant sway over the economy than the Anglo American-De Beers alliance. The Anglo group is many times larger in terms of market capitalisation, but is far more concentrated in the mining sector.

Robin McGregor's latest "Who Owns Whom" provides an insight into the spread of power the mutuals wield. Using McGregor's method of evaluation, Old Mutual actually controls Adcock-Ingram, Barlow-Rand, Kersaf, Mutual and Federal, Nampak, Nedbank, Reunert, Rand Mines, CG Smith, Sun International, Syfrets and Tiger Oats.

Sanlam controls Bankorp, Carlton Paper, Federale Volksbeleggings, Gencor, Malbak, Morkels, Protea Chemicals, Santam, Tedelex and Tradegro (which includes Checkers).

This is a selection of the best-known listed possessions. Added to these are shareholdings which are not controlling but are significant, such as Old Mutual's 7.7 percent of the Anglo American Corporation, 7.4 percent of De Beers, 13.4 percent of South African Breweries, 20 percent of Standard Bank and 27.8 percent of Wooltru (Woolworths, Truworths and Makro).

But as a counter to the bare and, in certain cases, arguable evaluations of McGregor, one should consider a statement by the public relations officer of the Life Offices Association [LOA], (chairman of which is Pierre Steyn of Sanlam, the previous chairman being Mike Levitt of Old Mutual): "The degree of power held by the life insurers tends to be exaggerated, both when statistically analysed and in reality, having regard to the extent to which they are actually able to dictate the actions of companies in which they have major shareholdings."

To someone like myself who has witnessed the persuasive investment marketing techniques of one of the more government-supporting assurance giants, I doubt the LOA's polemic defence, even without supporting McGregor's evaluations.

The investment diversity and concentration of directorships would present a collectivist government with an incredible opportunity to gain control of JSE [Johannesburg Stock Exchange] sectors simply by appointing directors, and without dangerous confiscation or costly compensation.

To what extent the present government interferes with the mutuals is a matter of speculation. Old Mutual was said to have been given more than a nudge to save a moribund Nedbank a few years ago. And it would be difficult, likewise, to separate Sanlam from the growth of Federale Volksbeleggings or Sappi.

#### \* NUM Opinion

34000588 Johannesburg *THE WEEKLY MAIL*  
(Special Supplement) in English 30 Mar-4 Apr 90 p 3

[A personal view by Martin Nicol, an economist with the National Union of Mineworkers: "The Case for Nationalising the Mines"]

[Text] It is often said that the first casualty of a war is truth.

In the debate on nationalisation this is certainly the case. Detractors of nationalisation have simplified and at stages caricatured arguments to sow confusion and obfuscate the issues we should be debating, namely: how do we address the real structural inequalities, shortages of consumer goods and the gross disparities that are associated with apartheid South Africa.

The most glaring example of such disparities is present in the mining industry. Despite repeated calls and sustained struggles by the National Union of Mineworkers to address the inequalities, discrimination and oppression in South Africa's wealthiest industry, very little has been done by the owners or the state to address the concerns of mineworkers.

The reason for this may be obvious. The principal beneficiaries of the present system in the mining industry have been the mineowners and the state.

Only a nationalised mining industry, as part of a socially planned economy will enable workers to achieve the objectives of the union. Fundamental to this process, however, is the democratic participation of mineworkers and the working class as a whole in the political and social structures of the society.

These objectives include:

- a minimum living wage on all mines,
- the same pay for the same jobs on all mines,
- the highest standards of health and safety,
- the productive use of our country's mineral heritage

for people and not just profits.

South Africa's mineral wealth is of enormous importance to the economic development of the country. This has been recognised by successive governments which have upheld laws to regulate the exploitation and to allow the benefits of this "wasting asset" to last as long as possible.

The latest state initiative to privatise and deregulate the mining industry through the Mineral Rights Bill is designed to lower health and safety standards and to permit uncontrolled exploitation of our country's mineral wealth.

These measures would all benefit capital and would be at tremendous costs to mineworkers and the country as a whole. This process should be stopped.

The nationalisation of the mining industry is not an end in itself. It is a process, and part of a comprehensive economic policy which a democratic government of South Africa must undertake.

Part of this policy would be to achieve three things:

- wealth creation with guaranteed minimum living wage levels in the mining industry,
- employment creation using our person power effectively accompanied by appropriate training and skill enhancement to meet the needs of the country,
- a socially conscious environment policy to conserve and extend the life of our mineral resources which must in the long run benefit our people.

How nationalisation should proceed can be part of an ongoing debate. However, that nationalisation of South Africa's mining industry is imperative as part of a broader strategy to restructure our economy, is indisputable.

Whether nationalised mineral rights should be leased to mining companies to exploit with strict conservation laws and employment regulation, or whether state ownership and full control should be established are what could be debated. But a new economic policy to mine our mineral heritage is necessary.

Nationalisation of the mines will not only achieve a more equitable wage policy, but as the backbone of our economy can be used to expand economic development in general. In this regard, we will see more investment in mining, not less, as proper resource management is involved.

Capital expenditure will be increased to develop new mineral resources, create jobs and provide for more minerals for export. Employment levels can be guaranteed by nationalisation.

What do we mean by "nationalisation"? Nationalisation does not merely mean state ownership of mines. We know of nationalised industries which have been anti-worker, e.g. the South Africa Transport Services.



Nationalisation must include the development of democratic worker participation inside enterprises and the industry as a whole.

Nationalisation will facilitate workers' involvement in the control over their work environment. This can have major effects as productivity increases. Once workers are engaged in building an economic system that is directed to their needs and the majority of working people, their power to increase productivity will be set free.

For over 100 years the South African mining industry has produced vast amounts of surplus. This surplus has, however, been channelled overseas and into the pockets of local capitalists and into the coffers of the racist state. This surplus continues to grow because of the low wage policy, the economies of scale derived by the mines from the system of compounds and migrant labour and because of low safety standards.

A nationalised mining industry is essential for the wise use of our mineral wealth. It is essential for a fair wage policy for mineworkers. It is essential for high safety standards, and it is possible to implement given the centralised nature of the industry.

But nationalisation of mines will only produce benefits for mineworkers if it is accompanied by workers' involvement in the control of the mines and a national plan to end poverty and provide jobs for all.

#### \* Chamber of Mines Policy

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[Text] The most pertinent question in the current debate about the nationalisation of the South African mining industry is, why?

Other than the reiteration of hackneyed slogans, no real attempt to answer this question has yet been made. What, then, can proponents of nationalisation be thinking, knowing, as they must, that their cherished theories have been discredited and that such views now appear to fly in the face of reason.

Perhaps the recent remark by Mr Nelson Mandela, which expressed concern about where the money was to come from if nationalisation was abandoned, gives a clue to current thinking.

But what money is Mr Mandela talking about? An examination of gold mines' financial results for 1989 shows that the mines earned revenues of R18,3-billion, of which R6-billion was paid in wages, R1,5-billion was paid to government by way of taxation and lease payments, R7,2-billion bought goods and services, and R2,7-billion was set aside for capital expenditure. A further R2,1 billion was distributed to shareholders as a reward for risk. (The dividend payment does not reflect a residual because of differences in accounting periods.)

Since Mr Mandela cannot possibly be considering reducing wages or refusing to pay suppliers he must have in mind CAPEX, taxation or dividends as a source for money. Diverting gold mining CAPEX to socially inspired spending programmes may make some ideologues happy, but will certainly quickly lead to the destruction of the industry. Not even the most ardent proponent of nationalisation can have in mind killing the goose. And since nationalisation is not a prerequisite for a government to raise taxes, Mr Mandela must be referring to the confiscation of dividend payments in favour of the state.

But, leaving aside the very real possibility that nationalisation of the gold mines would almost certainly reduce profits and therefore lessen tax receipts, the redirection of dividend payments to central government coffers would create an enormous financial burden for the state apart from seriously undermining both domestic and international investor confidence.

This burden would occur because the market capitalisation of gold mines is currently around R66,8-billion which means that the dividend yield is just 3,2 percent. Thus, should a nationalising government seek to compensate risk-taking shareholders, the cost to the Treasury would be enormous and given current interest rates, compared with the low dividend yield, would almost certainly lead to a net loss of revenue to the authorities. The nationalising government could expropriate shares but that would be simple theft which would lead to an immediate alienation of both local and international capital and hasten the inevitable decline of the South African economy.

Also, failure to adequately compensate shareholders in gold mines would inevitably raise the issue of why gold shareholders should be victimised when shareholders in other industrial companies, safe from nationalisation, were not.

Moreover, since a large amount of shares are held by insurance companies and pension funds it will be the ordinary citizens both black and white who will suffer from inadequate compensation as much as the mythical plutocrat.

Even a brief look at the problems shows that the proponents of nationalisation have not fully thought through their proposals. But by clinging to these outmoded concepts they are encouraging naive beliefs that the mere act of government ownership miraculously provides wealth and reverses inequalities.

Such dreamings are dangerous as can be seen by the experiences of the living laboratories of Eastern Europe, the cost of nationalisation in Western Europe, and the failure of nationalisation in Third World countries like Zambia and Burma. Moreover, if experience in the real world is not enough to convince apologists for state control that such programmes are ineffectual, modern

economic studies have shown empirically that state-controlled industries are almost certain to be less efficient than privately owned businesses. Other studies have shown that the inevitable politicisation of economic decision-making, particularly those concerning labour costs, will lead to distortions in relative prices with the almost inevitable consequences of state subsidies and misallocation of resources.

The only way to improve the income and hence the wealth of all South Africans is by economic growth. Ample evidence, both real and theoretical, now exist to show the best way—indeed the only way—to achieve this economic growth is through an open market-based economic system where resources are allocated, prices determined, information gathered and value judgments made by individuals.

Governments must avoid temptation and keep well clear of the wealth-creating process.

#### \* Mixed Solution

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[Article by Joe Slovo, General Secretary, SA [South Africa] Communist Party and a National Executive Committee member of the African National Congress: "Nudging the Balance From 'Free' to 'Plan'" The solution is a mix of 'plan' and 'market'. But which is first?]

[Text] There are two extreme groups of economic alchemists who advance competing formulae for achieving a post-apartheid millennium.

In the one case the transmutation is premised on the fairy tale that, in this day and age, there can exist such a thing as an untrammelled "free market" or that, left to itself, it can ever put people above profit. In the other case the transmutation is premised on a "plan," engulfing every segment of economic activity, imposed from on high and divorced from inherited economic reality.

If we have learnt anything from the economic ravages of capitalism and the economic failure of existing socialism it is surely that the "plan" and the "market," seen as exclusive categories, have fallen on evil days. The search for a mix between the two cannot be guided by abstract economic categories. The seminal question, where the two inter-relate, centres on which of them is dominant. And this, in turn, finds its focus from a given socio-political vision.

One of the fundamental issues at the end of the day is to ensure that the economy continues to grow. But fashionable phrases such as "empowerment," "entitlement" and "opportunity creation" have little meaning for the dominated majority unless they also address the basic obstacles which have stood in the way of their fulfillment. For the racially disadvantaged, an impressive growth rate is an irrelevant statistic if its fruits continue to be appropriated in the same old way.

Our own vision of the restructuring of a post-apartheid South Africa is to set our country on course towards the ending of all forms of national domination. Unless the debate on the balance between the "plan" and the "market" is firmly situated in this terrain it becomes, at best, a mere exercise in pedantic model-building or, at worst, a design to keep the essential ingredient of race domination in place.

Let us face it: behind glib talk about the "market" and "plan" (which, in one form or another, need to coexist in all existing socio-economic formations) there hover conflicting commitments to different forms of property and their power to exercise social control.

The South African mix between plan and market has, up to now, been underwritten by a power relationship based on an economy and a political superstructure symbiotically linked to racial domination.

The primary immediate aim of our liberation movement is to create a new power relationship which will have both the political and economic clout to embark on the process of eliminating all racial inequalities. This is what steers our drive to liberation and guides our thinking about a new mix between market and plan, including the question of primacy between the two.

Domination, in the South African context, is not just political deprivation. Indeed, its primary roots are embedded in economic imbalances which stem not merely from class disparities but are over-determined by national disparities. It can hardly be doubted that if every racist statute were to be repealed tomorrow, leaving existing property relationships undisturbed, white domination (in a most essential aspect) would remain intact. Over 85 percent of all personal wealth is owned by whites who control an even bigger percentage of all productive property. In short, liberation can have little meaning without disturbing the existing access to and distribution of wealth and resources.

Without some form of state intervention this process cannot be advanced; this much, at least, is accepted across a wide political spectrum ranging from Oliver Tambo to Gavin Relly (Relly interview SUNDAY TIMES, 1 June 1986). But in moving to correct the imbalances we recognise the need to reconcile two imperatives which, in a transition period, are not always in harmony. These are the need to bring about greater economic egalitarianism and the need to meet the people's requirements. History has been unkind to the advocates of the "great leap forward" who have been blind to this complexity.

All this informs our approach to the post-apartheid economy which will be a blend of public and private sectors and some intermediate categories such as co-operatives. We will undoubtedly need private capital, both domestic and foreign, and participation by those who are prepared to contribute their talents and acquired managerial skills to building a prosperous non-racial South Africa.

And we do not close our eyes to the reality that such involvement will need more than a new-found idealism; it has also to be fuelled by reasonable material incentives. But all this cannot be purchased at a price which undercuts the interests of the majority.

We are aware that the maintenance of business confidence and the retention of skills which have, by and large, been the preserve of the racially privileged will obviously be at risk as a result of state intervention and affirmative action on the side of the dispossessed and disadvantaged. Skills and opportunities (often on the job itself) will have to be provided to those who, because of race alone, have been kept out of the managing and controlling echelons of the economy, and it will take time for them to become as practised as the existing privileged pool.

The deplorable condition of the working people, including the insupportable rate of unemployment, the housing shortage, inferior education, etc, will have to be addressed on a massive scale bringing with it inflationary pressures stemming from increased state expenditure.

But no radical social transformation has, or can, be brought about without a degree of social dislocation. The purely technocratic alternative may satisfy an economic laboratory but would render the transformation relatively meaningless for those who have battled to bring it about. We will be faced with all the above problems in the immediate aftermath of the transformation. Our job is to minimise and eventually eliminate them.

To what extent can the market contribute to meeting this challenge? The market, in its narrow sense, is a place where commodities are bought and sold, where price value finds its economic level and where, hopefully, a capital surplus is generated. It can obviously serve these purposes in relation to both state and private output. But the market seen merely as expressing existing property relationships with over-weening power to the private sector to determine the way in which wealth is apportioned can in no way meet the challenge ahead.

Devices such as taxation and other fiscal policies, a degree of price regulation, etc, can go some way towards inhibiting the natural urge of the capitalist market to primarily serve maximum private capital accumulation. It follows that the resources which have to be generated to correct the inherited imbalances and deprivations of the majority demand, in the first place, a necessary degree of state control (involving selective forms of ownership and participation) over strategic sectors of the economy. In the second place, the necessary coexistence of a private and social sector—the balance between the "market" and the "plan"—must accord pride of place to the latter.

#### \* Anglo American

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[Article by Bobby Godsell, Director, Anglo American Corporation: "Let's Focus on Areas of Broad Agreement"]

[Text] The great economic debate has begun. Already the sterility of exchanging ideological grunts has become apparent. Instead we should focus on broadly supported economic goals, and then debate alternative means of reaching these goals.

Two linked economic objectives already suggest themselves as enjoying broad-based support. In the 1990s South Africa needs:

- To achieve high levels of economic growth.
- To effectively combat poverty.

These necessarily related goals have been endorsed by President F.W. de Klerk and Finance Minister Barend du Plessis, Mangosuthu Buthelezi, Nelson Mandela, Govan Mbeki, and Gavin Relly.

South Africa is a poor, not a rich country. Our Gross National Product expressed in *per capita* terms brackets us with countries such as Turkey, Yugoslavia, Chile, Peru and Mexico. We need to return to sustained positive rates of growth—the five to six percent growth rates of the period 1946-1974.

Economic growth cannot be a national objective in itself. Growth is important to produce the resources needed to tackle poverty and under-development.

If these two objectives are accepted a series of concrete debates become possible. Sustained growth requires the effective and competitive use of the factors of production.

Much requires to be done to make full use of South Africa's land resources. The Land Acts of 1913 and 1936, providing for the racial zoning and racial use of land, need to be abolished. The Group Areas Act must go.

Positive interest rates are vital if saving is to be encouraged. Even without sanctions South Africa cannot necessarily expect massive inflows of investment capital (though we can hope to stop the outflows!). Much development will have to be internally funded.

To achieve positive interest rates, either interest rates must be high or inflation low. The latter is preferable, especially for the poor.

Both fiscal and monetary policy should be neutral as to these two factors of production. International experience offers scant support for job-creation programmes. Artificial barriers to job creation, however, must go. (Here both Group Areas and the decentralisation policy has played a very negative role.)



High wages which can be sustained by productivity increases can stimulate growth. Where high wages are imposed by government they serve only to create a new two class society—employed insiders and unemployed outsiders.

Enough comparative evidence points both to the growth creating and poverty combatting role of effective social investment. The word to stress here is effective. This should open new areas of debate in South Africa.

We need an education process which produces self-reliant citizens with skills that equip them for the economy of the 1990s—not a very poor imitation of the English public school system.

We need health care which allocates health resources wisely. A shift is needed towards preventive health care.

We need both affordable and sustainable urbanisation. Experiments here and abroad show that this can be achieved.

There is an urgent need to create a situation where the day's work contributes realistically to retirement needs. Not only will this address retirement needs—it will also boost growth.

These are the areas where debate is needed. Employers and unions have a vested interest in achieving progress in these areas. Hopefully in the months that lie ahead union and employers will address these issues in earnest.

#### \* Land Question Addressed

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[Report by Hilary Joffe: "The State Looks Anew at the Question of Land." From Pretoria, a bold rethink on farming. The Development Bank chief argues for radical changes.]

[Text] The Land Acts, which have since 1913 confined black South Africans to owning only about 13 percent of the country's land area are to go—either in this parliamentary session or the next. But the legislation is only one aspect of a system which has entrenched unequal access to land for black and white. As important have been black farmers' lack of access to capital, skills and infrastructure.

Simon Brand, chairman and chief executive of the Development Bank of Southern Africa [DBSA], is arguing that for access to land to be equalised, more will have to be done than simply the abolition of the Land Acts. And his views count in the corridors of power. The government—in the person of no less than Gerrit Viljoen—is investigating the land issue and is likely to be drawing heavily on empirical and policy research by the Development Bank to support its case. It is also likely the DBSA, which has experience in rural development programmes, would be a key player in any land reform programme to emerge.

Brand's views have at least been heard, too, by opposition political movements. He has attended more than one conference including African National Congress and Mass Democratic Movement representatives. He believes there is a great deal of common ground on practical questions such as how to increase black South Africans' access to economic resources.

The thrust of his views on the land question is that if measures are adopted which equalise access to this resource, it may be "neither necessary nor useful to discuss expropriation and forced transfers of land."

Says Brand: "It doesn't make sense just to scrap the Land Act. Other things have also to be considered if we are to achieve the desired result of getting better access to land for everyone and at the same time maintaining agricultural productivity." Black farmers will need access to markets, credit, inputs and infrastructure.

Most black farmers would not have the finance to buy formerly white farming land if it became available. The Land Bank would therefore have to ensure it was in a position to meet any possible demand for loans. Brand notes there are no specific provisions preventing the Land Bank from lending to black farmers. Its activities in the past have, however, been confined to farms in "white" South Africa.

Even with the Land Act gone and Land Bank finance available, there would still be few potential black buyers for farms as they exist now. There are already many black people living on white farm land who might be candidates—allowing them to own land would simply confirm the situation which already exists. But the farms are kept large by the Subdivision of Land Act which prevents splitting up of large farms without government permission.

If the aim were to have larger numbers of farmers on smaller pieces of land, says Brand, this policy would have to be changed. There could be complete deregulation or free subdivision might be allowed only in certain areas.

Perhaps the central issue which has to be addressed is that of agricultural productivity. If the government wants to convince its constituents that desegregating land is a good idea, it will want to argue that this will not have an adverse effect on South Africa's food production, for example. This is an area where the DBSA's research would come in useful.

The very large farms dominating white commercial agriculture are not necessarily efficient. If South Africa went the small farmer route this would not necessarily cut agricultural production, in the DBSA's view. Brand, whose background is in agricultural economics, points out there is evidence from the developing world that small farming can be more efficient—"we have to get the fictitious argument (that smaller farms would mean less efficient production) out of the way," he says. The DBSA found small sugar farmers in Natal and the Eastern

Transvaal were outperforming the large-scale farmers in terms of grain yield and sucrose yield.

Commenting on the tendency of South Africa's farm units to become continuously larger in recent years, Brand recently told an agricultural conference that "the economies of scale which underlie this tendency towards larger farm units have to a significant extent been exaggerated artificially through the subsidisation of large capital items implicit in, for example, various tax exemptions and interest control measures." As the government moves towards subjecting the farmers more to market mechanisms, the advantages of large farms are likely to decline.

As it is, only a relatively small proportion of white commercial farmers are successful or efficient—only 27.5 percent of them accounted for 72.8 percent of gross farm income in 1983.

But Brand stresses agricultural support services are vital if smaller farmers are to be successful. "If we just subdivide the land, this could have a negative effect on productivity. But if we also make sure the support services white farmers have are available to the small (black) farmers, there is evidence to suggest they could be even more effective in agricultural production."

Brand has noted inequalities in access to support services has been one of the major reasons for the contrast in performance of the commercial and small-farmer sectors in the past.

But the agricultural extension services provided by the government for (white) farmers is itself being strained by lack of staff and resources. A new approach to providing extension services is needed, Brand argues. While the DBSA's research in this area is still tentative, it is looking at provision of services so as to involve fewer highly trained staff—a more "grassroots" approach.

The DBSA would have a more direct role to play in land reform because of its experience in small-scale agriculture in the homelands. Although Brand sees the Land and commercial banks providing finance for land purchase, there would also be a need for infrastructure such as irrigation and fencing. The DBSA, which provides "wholesale" funds for bulk infrastructure development rather than finance for individuals, would have a role in enabling an expanded small farming sector to have access to land and markets.

It is as yet unclear what precisely will come out of the debate within government circles about land reform. But a big question is what will happen to the largely poverty stricken agricultural sector in the "homelands"—and indeed to the whole homeland concept (that is, excluding the TBVC [Transkei, Bophuthatswana, Venda, Ciskei] homelands, which are a separate issue at present).

If the government implements the far-reaching reforms Brand is recommending, this should imply that the situation between "white" and "black" land should start

to balance out over the long term, as finance and support services are extended equally to all agricultural areas. As new land is made available, black farmers who could afford it might start to move out of the homelands and on to what was "white" land. In theory that could dramatically improve the position in the over-farmed and over-stocked black rural areas. But it would seem to imply far-reaching political changes which would undermine the whole homeland system. If the playing field were levelled on the land issue, would there be any reason for the homelands to exist?

Here too the DBSA's role is important. It has been managing a research report by a panel of experts on the government's decentralisation policy, which has concluded the policy needs drastic revision. The panel has reported to the government and much of the report has now been leaked.

While Brand will not comment on the report, he does argue there has been an artificially strong emphasis on industrial development in the government's "regional development" policy. Resources have been directed to industry in areas which might have been more suitable for agricultural development—and there may be greater investment potential in this area once more land is opened up for farming. He adds that no regional development policy can provide jobs for all—which is why "healthy" urbanisation must be supported.

Brand's view is that each region must identify its own comparative advantage—tourism, for example, or agriculture. Industrial development should not be promoted artificially in areas where it can never be viable. There should be no "Pretoria blueprint" for development in the various regions—those regional communities should decide for themselves.

When Brand talks about "regions" he is referring to the nine development areas in South Africa, including the homelands, demarcated in 1982 in terms of the Common Regional Development Policy, which do not follow homeland borders. Regional decision-making in this sense would imply another departure from the homeland concept. Brand notes there are already regional advisory and liaison committees "across political boundaries," which include homeland and non-homeland representatives. These are, however, necessarily informal for as long as the homeland system is in place.

The issue of regional government and decision-making structures is one which, Brand believes, must be on the table of negotiations towards a new constitution.

But he is concerned that if the homeland concept is attacked, the idea of regional decision-making will come under attack too. Some system of decentralised decision-making is economically more efficient and gives communities more say in the development of their region.

## \* Metal Workers Union

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[Article by Alec Erwin, Education Officer, National Union of Metal Workers of South Africa: "Capital Need Not Bridle at the Label 'Socialist'." Such is the obsession with the 'state ownership' bogey that both sides run the risk of ignoring other means for a public sector role in the economy.]

[Text] The preoccupation of the present debate on the economy with the issue of nationalisation holds real dangers.

Its effect is to focus attention on the racial inequalities in ownership and on the glaring disparity between rich and poor. We must address these salient realities, but how it is done is crucial for our future.

A preoccupation with ownership is a recipe for conflict. We should focus on the overall structure of our economy and where it is located in a dramatically changing world economy. If we fail to meet the challenge of restructuring we will slip into economic decline and enter a vortex of violence and repression.

The Congress of South African Trade Unions (Cosatu) argues that we have to restructure production in order to meet the needs of the majority and successfully to locate ourselves in the rapidly changing world economy. We should not expect or try to achieve a complete consensus of views but we could have some hope of reaching workable agreements, so giving our future society an important unity of purpose.

There is broad agreement that the basic problems are unemployment, poverty and critical shortages of infrastructure in the areas of social consumption such as housing, health, education, welfare services, transportation, water reticulation systems and electricity supplies to black housing areas.

For those steeped in the free-market gospel, all facts point to the success of the market freed of all state involvement. This faith is hard to shake. A more accurate depiction of reality appears more complex. Briefly:

- The market is less effective than planning at effecting structural changes;
- The market imposes costs on the wider society that are dangerously high and external to the calculations of each producer; the ecology, for example;
- Command planning can achieve structural change but causes stagnation in productivity and living standards;
- The market imposes an efficiency discipline on producers and increases variety and quality if carefully managed;
- Finally, political and economic democracy are crucial to long run economic success.

The issue is not one of state versus private ownership. It is whether we restructure our economy so as to minimise unemployment and poverty and maximise the supply of social consumption infrastructure.

If we decide to restructure then we have to carefully draw upon comparative experience to formulate a policy package to achieve this. The fact that Cosatu for one sees such a package as being socialist terrifies capital. Capital should look at the content of what we are saying, not bridle at a slogan—at the very least this will allow us to restrict areas of conflict.

Cosatu research indicates that our economy has developed into a high cost/low wage/low employment economy. Growth prospects through rising manufactured exports or expansion into a mass market are bleak. If we are going to create a mass market and improve our position in the world economy then we have to achieve an economic turn-around into a low cost/high wage/high employment economy.

This turn-around requires a coherent and planned set of strategies. Space precludes a detailed discussion of these but I will attempt to illustrate the chain of reasoning.

We need an investment pattern that both raises productivity and expands employment. This requires an education system that not only allows each human being the right of literacy, numeracy and knowledge but equips them to enter employment and training.

For political and economic reasons a land redistribution must be effected that increases output and lowers the costs of food production. To raise the real standard of living social consumption must be raised. However, to place the burden of all housing, health etc. on the central state and its fiscal resources is a cul-de-sac.

We must look to providing these needs through the restructuring of production so as to lower the prices of products relative to average incomes.

Economic growth must not be at the expense of human recreation areas nor at the expense of degrading our environment. Affirmative action programmes will also be necessary to redress the legacy of racial discrimination and to facilitate greater involvement of women in economic, social and political activity.

These strategies feed into each other. They require coherence and fail if they are piecemeal.

We can now examine the role of nationalisation. Broadly speaking, nationalisation of an economic activity is carried out for one or both of two reasons. Firstly, because private producers are reluctant to enter an economic activity because its particular nature makes it difficult for them to recover profit or it requires such massive investments to recover profit that the private sector cannot marshal the resources. Secondly, when the state wishes to shape a particular economic activity as a matter of policy. These two reasons are often difficult to disentangle.



In my view a post-apartheid South Africa will provide a good example of this dual impetus to nationalisation. Apartheid cruelly distorted transportation systems, water reticulation systems, electricity supplies and telecommunications away from black areas—both urban and rural. Redirecting these systems will be a costly and not very profitable exercise because of the size of the investments and the low income of the beneficiaries of such projects. Yet any popularly-based government will have to carry out such a redirection if it wants to retain power democratically.

If such a redirection is accompanied by rising wages and employment then it will open the way to a mass market in durable consumer goods.

Another critical area is South Africa's mineral resources, including the gold industry. Our mineral resources are crucial to future growth as they are our access to the world market in goods, technology and finance capital. Changes in the world economy however mean that gold's export prospects over the longer term are potentially volatile; we will have to embark upon a policy of "mineral husbandry." The same applies to our water and energy resources.

Before addressing that most sensitive of issues—nationalising the mines—we need to address certain other aspects of the nationalisation debate. Again, distilling comparative experience from capitalist and socialist economies, some very important pointers are provided.

Firstly, state ownership *per se* cannot be said to be inefficient. More important are the conditions under which the enterprise functions. Is it subsidised no matter its performance, or is it obliged to meet the full costs of its production? Do workers have a sense of participation and control in the enterprise or are they alienated?

Secondly, state ownership is only one means of intervening in the economy. As crucial is the state's facilitating intervention in a strategically planned way into research and development, training and education, and in finance capital. Countries like Korea and institutions like the European Commission have shown this is a rich area of policy possibilities.

Thirdly, state ownership of enterprises is not the only ownership form that allows for a planned public sector intervention in the economy. Both in capitalist and socialist economies a range of new collective and partnership-based ownership forms are developing. Assets are increasingly leased from the state in socialist countries allowing for flexibility of economic decision making combined with sufficient state control for it to implement long-term economic strategy.

I believe that a very strong case can be made for state ownership of our nation's natural resources, but that these are leased back to both collective forms of ownership and capitalist enterprises. This will require a legislative framework that allows for collective ownership.

These issues are complex and the exact mix and form of ownership will evolve as we debate the strategies necessary for an effective restructuring of the economy.

Finally, economic restructuring will have to go hand-in-hand with building a new democratic state in South Africa. Political life must flourish so that the energies of our people—particularly of the working class—are released.

Unless the majority are able to rule effectively and benefit from the economy, we will regress into material inequality and repression. Our democratic future depends on our own *perestroika*.

#### \* Stellenbosch Academic

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[Article by Sampie Terreblanche, Professor of Economics, University of Stellenbosch; economics advisor to the Democratic Party: "Right Now R3-Billion's Mere Charity." The symbolic value of the state's R3-billion 'mea culpa' trust fund should not be underestimated. But more is needed than symbolism.]

[Text] South Africa is notorious for its unequal racial distribution of income and power. Although the structures and policies of apartheid cannot be blamed for all the inequalities, they have created and maintained socio-economic and political conditions exceptionally favourable for whites and exploitative for blacks.

The National Party monopolises political power with the support of only 6.3 percent of the potential electorate and its social spending (i.e. on education, housing, medical services and pensions) is in per capita terms at least five times higher on whites than blacks.

It is both desirable and necessary that whites acknowledge explicitly the huge "apartheid debt" which has accumulated on their books and make a major effort towards repaying it. In this respect, the recent budget can be interpreted as a first, tentative acknowledgement of guilt and equally tentative acceptance of responsibility for affirmative action to rectify wrongdoings of the past.

The establishment of the R3-billion trust fund for socio-economic upliftment and the removal of social spending backlogs has ostensibly the purpose of symbolising an important change of heart on the part of the government.

The symbolic value of the trust fund as an implicit acknowledgement of guilt should not be underestimated. For years the National Party maintained and propagated with almost religious zeal and conviction the idea that whites in South Africa have nothing to feel guilty about. Those who tried to stir up a guilt conscience were condemned as misguided liberals, socialists or even agents of the Total Onslaught! For the arrogant National Party to turn around and say—albeit covertly—"mea culpa" is quite an accomplishment.



Unfortunately, the R3-billion trust fund is pathetically small, out of step with sound fiscal practices and although no handouts will be made, is reminiscent of a charity fund. The government has misunderstood the nature of 20th century representative democracy and its public financial and welfare state implications. It should have explicitly acknowledged the untenability of the present social spending gap and made its rectification a high and pressing budget priority.

This should have involved keeping every component of social spending within the orbit of normal public financial patterns and synchronising it with other economic priorities to ensure the most favourable trade-offs for advancement towards greater social justice. Instead of creating a charity-like fund outside of conventional fiscal practices, the government should have appointed a representative, non-racial body to advise it publicly on all aspects relating to the use of public facilities and the closing of the social spending gap.

Such a body could have made an enormous contribution by sensitising the public for the kinds of social spending that would in any case become normal fiscal practice in a future, non-racial democracy.

The social spending on whites is in per capita terms about three times higher than the average spending on the total population. Almost 40 percent (or R28-billion) of the present budget is earmarked for social spending, representing 10.4 percent of the GDP [gross domestic product]. If an attempt was made to achieve parity in social spending at present white benefit levels, this would have necessitated an additional R56-billion. Total social spending would then have increased to R84-billion (or 31 percent of GDP) and total government spending to R130 or 48 percent of GDP. This is of course completely unattainable. It will take at least 10 if not 20 years to close the social spending gap at a meaningful level. Nevertheless, the above figures indicate the large number involved and highlight the small size of the R3-billion fund.

They also emphasise the need to maintain a high growth rate if meaningful distribution is to take place. For instance, if the percentage of GDP needed to attain parity at present white benefit levels is to fall from 31 percent to 22 percent over a 10-year period, an annual growth of 5.5 percent per year is needed.

After 40 years of statutory apartheid and 16 years of stagnation, South Africa finds itself in a terrible log-jam. It is not possible to create conditions conducive to a high growth rate without visible advancement towards greater social justice and non-racial democracy. On the other hand it will be extremely difficult to make such advances without a sustained high growth rate.

Given the delicate phase in the move towards negotiations, the government should have spent more on black upliftment and poverty relief programmes. In the light of South Africa's social injustices and structural inequalities and the symbolic need for white sacrifice en route

towards a non-racial South Africa, the budget priority cannot but be described as wrong yet again.

### \* Privatization Argument

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[Article by David Lewis, former trade unionist, now an economic historian at the University of Cape Town: "The Silver's Sold Off, So the State's Happy To Chat." The arguments for privatisation are so weak that observers cannot but wonder if there is a hidden agenda.]

[Text] In the midst of the furore surrounding the African National Congress' restated commitment to nationalisation, nothing has been said about the government's continued attachment to denationalisation, more commonly referred to as "privatisation." In fact, since the Iscor [South African Iron and Steel Corporation] flotation, discussion of this major policy initiative has dropped off the editorial pages.

This is not because the policy is dead. The recent restructuring of Sats confirms the commitment to the privatisation of another major state corporation. The Post Office and Escom [Electricity Supply Commission] are still considered strong candidates for privatisation. The selling off and contracting out of local and central government services proceeds apace. And yet the government's argument for privatisation is simply unsustainable on any sound macro-economic grounds.

There are three major factors—some explicit, others unstated—that underpin the privatisation initiative.

Financial considerations are unquestionably central. When Harold Macmillan characterised Thatcher's privatisation programme as "selling off the family silver" he was probably wrong. Notions of "efficiency" and "popular capitalism" clearly dominate the Thatcherite agenda. The South African Government, on the other hand, is "selling off the family silver."

The timing of the privatisation initiative is revealing. While both the 1983 report of the influential Kleu Commission and the 1984 President's Council [PC] report on "Measures Which Restrict the Functioning of the Free Market in South Africa" contain perfunctory bows in the direction of privatisation, they are lavish in their praise of the efficiency of the parastatals. The PC report explicitly approves the principle of state intervention in the economy, including the ownership of major assets.

By 1985, however, when the government responded to the Kleu Report, it had begun to shift its stance. This movement is confirmed in the 1987 White Paper on "Privatisation and Deregulation in the Republic of South Africa" and the pro-privatisation arguments of the White Paper generally identify the public sector as a potential source of state revenue.

The debt crisis clearly underlay this new-found enthusiasm for privatisation. Unable to raise capital on the international markets and faced with escalating infrastructural and military commitments, the government turned to the family silver. With state owned assets—excluding property—valued at R300-billion in 1985 we're talking hallmark silver.

The financial consequences of an act of privatisation depend upon how the government uses the proceeds. The South African Government insists that it will use it to repay debt but there is no way of knowing whether this is true or not. In any event, the common pro-privatisation argument that suggests that public sector borrowing requirements are reduced by the amount of revenue that accrues from the asset sale, hence relieving a major pressure on interest rates, is one-sided.

What this argument does not reveal is the upward pressure on interest rates as the private sector scrambles to raise the huge amount of capital that the flotation of a public sector asset soaks up.

The vaunted efficiency of the private sector over public enterprise is generally advanced by big business in favour of privatisation. The characteristic argument is that a privately owned corporation is subject to the threat of bankruptcy or takeover and that this will generate the profit maximising/cost minimising efficiencies that allegedly evade public sector enterprise.

However, this has no relevance to the privatisation argument in South Africa. Those parastatals earmarked for sale in South Africa are too large and produce too vital a commodity to be subject to either takeover or bankruptcy. In any event a company within the stable of an Anglo or Old Mutual—and what other stables are there that could accommodate an Escom or Sats?—is effectively as insured from takeover or bankruptcy as a state-owned corporation.

The efficiency argument will only hold if the sale of a public asset generates competition. There is no reason for assuming that this will generally be the case. Many of the parastatals—Escom, for example—are natural monopolies.

In any event most of the public sector enterprises are very large corporations that enjoy a dominant position in their markets. Their sheer command of financial and technical resources, combined with the political skills and connections acquired through long years in the public sector, would easily enable them to hold off possible competitors after privatisation.

The parastatals are attractive investments precisely because of their outright domination of their markets. One could hardly expect serious investors to splash out billions of rands if they felt that the effect of their purchase would be to reduce the market share of their newly acquired asset.

At best then, privatisation will simply entail the conversion of a public into a private monopoly. Moreover, subjecting these enterprises to the logic of the market will substantially skew distribution of the commodities they produce. Those now trumpeting the virtues of market efficiency should take pause and acknowledge that most public sector ownership has its origins in instances of market failure. We would not have a satisfactory power generating capacity or effective passenger and goods transport system had it not been for public ownership.

Placing these sorts of enterprises into private hands now would equally distort allocation. If the post office and telecommunications system were privatised would this facilitate the diffusion of telephones to the very poorly supplied lower income markets? No it would not. It would facilitate the introduction of more and more sophisticated and glitzy communications alternatives. The poor would still have no telephones, with the attendant social and economic consequences.

In short the market places no value on the high social returns that accrue to the sorts of commodities characteristically produced by public enterprise. It will always produce that product for which it can earn the highest private return. If that is a car telephone rather than a mass telephone network for a poverty stricken rural area...well that's the market. The only way that the state would be able to intervene in the allocational "inefficiencies" of the market would be through massive regulation in order to achieve ends far more easily and efficiently realised through public ownership.

This is why the spate of privatisations throughout the last decade in Europe and the Third World will end in tears. Or, more productively, will end in a return to state intervention.

The stated case for privatisation is so weak that one is forced to contemplate the possibility of a hidden agenda. "What we are trying to do," says former police spy Craig Williamson, "is make sure no future government has the power we did." It is ironic that business should be bleating about nationalisation whilst actively privatising those parts of the economy currently in public ownership. Good faith negotiation requires at least a maintenance of the status quo.

If not, the ANC [African National Congress] should make it clear that, whilst there is still an open agenda on the nationalisation of private sector corporations, those who buy ownership of companies that are currently publicly owned will have those assets confiscated without compensation. See how the market for future Escom or Sats flotations digests that one.

#### \* Long-Running Crisis

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[Article by Stephen Gelb, University of Durban Westville: "The Old Order Dies and the New Order's Not Yet

Born." Will a post-apartheid South Africa manage to resolve the economic crisis which has strangled the country since the mid-1970s?)

[Text] Constitutional negotiations to end apartheid are imminent, but the long-running crisis of South African capitalism is far from over. A political settlement could provide an opportunity to resolve the crisis, but it could also become an obstacle.

The popular connotation associated with "crisis" is an idea of collapse or breakdown. But the original, more useful, meaning of the term is "turning point." In this sense a crisis of capitalism implies that the system cannot continue to develop along the same path as before—it must "adapt or die," as P.W. Botha eloquently expressed it more than a decade ago.

South African capitalism reached a turning point in the mid-1970s, reflected in the precipitous decline since then of the long-run growth rate of the GNP [gross national product]. This has been linked to the failure of the "growth model"—the combination of patterns of production, distribution and consumption, in other words, the form of capitalist growth—which had characterised the postwar period of relatively sustained economic expansion.

The years since have seen the decay of this "old order" and the emergence thus far of only some elements of a possible successor. The turning point has not yet been fully traversed—the crisis continues.

The growth model which emerged in South Africa in the post-war period focused on extending industrialisation via the production of (previously imported) sophisticated consumer goods for use primarily within South Africa. A possible alternative orientation would have been to expand production of basic consumer items for both (wider) domestic and foreign trade. This was the path followed by southeast Asian industrialisers like South Korea. Two primary factors pushed South Africa, perhaps inevitably, towards the former path:

- Racial domination, creating political pressure to raise substantially white living standards while similar black demands were repressed;
- Mineral wealth, making it possible to pay for the necessary machinery imports.

This model fitted well with growth patterns in the major industrialised economies, and like these countries, South Africa grew rapidly, on average, through the 1950s and 1960s.

I have called it "racial Fordism" to suggest the centrality of apartheid to capitalist growth during this period. Racial domination was the pre-eminent factor shaping economic institutions. White businesses and consumers did very well, while the inequality which underpinned the model increased. Black incomes rose somewhat but they became relatively more impoverished.

The model's "success" in achieving growth brought its own problems, however. The emphasis on capital-intensive production methods meant, first, that employment rose, but slower than the overall labour force, so that unemployment also rose. Also, machinery and intermediate production inputs came to dominate imports, so that the ability to expand production was increasingly tied to balance of payments considerations.

By the start of the 1970s, there were already clear indications that these were becoming serious obstacles. But more immediate problems now arose. Changes in international financial arrangements meant that the prices of gold and other mineral exports, and therefore South Africa's export revenues, began to fluctuate widely. For different reasons, import prices also began to rise. At the same time, and partially related to these international developments, there was a significant upward movement of black wage levels.

Capitalism South African style, already failing to provide work and decent living to most of its people, now failed also in being unable to adapt to the new pressures it faced. One important set of reasons was the internal contradictions of the model referred to above, although developments in the international economy have remained crucial.

The model's strengths now became weaknesses—on the one hand, foreign trade and capital flows, and on the other, the interaction between wages, productivity growth and consumption patterns. Both destabilised overall growth, and began to push up production costs.

The result has been stagnation, declining investment and productivity growth. One index of this is the transformation of the South African economy from one where "super-exploitation" yielded "super-profits" to one increasingly being abandoned as a locus of operations by multinational corporations, foreign and South African, because of poor profitability prospects.

The crisis, then, has seen the decline and collapse of the old growth model. Much of the "reform" process since the late 1970s can be read as efforts to adapt and shore up the racial Fordist growth model. Central to the ultimate lack of success in this regard have been the responses—economic and political—of groups and individuals to the effects of both crisis and reform upon them. In the process South Africa's social structure has been fundamentally transformed. Substantial middle classes and masses of unemployed have emerged among urban blacks, while the major conglomerates have greatly extended their grip on the commanding heights of the economy.

The crisis of South African capitalism is one of the deep structural forces pushing the society towards a political settlement. The removal of apartheid through negotiations would remove one of the last substantial elements of the old growth model.



What are the possible dimensions of a growth model for the future? As in the 1940s, South Africa appears to be facing two alternative development paths. One would focus upon "absorbing the labour surplus" by expanding relatively labour-intensive industries producing basic consumer goods, to supply both domestic and foreign consumers. The "engine of growth" in the other would be a manufacturing sector regenerated by massive investment of a capital-intensive nature and supplying intermediate manufactured products primarily to the international market. "Redistribution" would be based primarily on a "trickle-down" process, and would necessarily happen over a much longer time-scale than for the first option.

Different social forces will naturally opt for one or the other of these models, and this will provide a potential basis for considerable conflict in the future.

Whether such a conflict can be resolved at a broad social level—necessary for the crisis to end—will depend above all on the institutional framework of the post-apartheid society. This is why impending constitutional negotiations provide both an opportunity to end the crisis, but also a danger that it will be prolonged. If the political institutions which emerge encourage a long-run stalemate between contending social groups, the model which South Africa follows will not be Sweden, Japan or Korea—but Argentina.

#### \* Capital vs Labor Myth

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[Article by Brian Kantor, Director, School of Economics, University of Cape Town: "Workers Grow Wealthy When Capital Gets Its Rewards." The myth of capital vs labour must be rejected.]

[Text] There are two major uncertainties facing the investor in South African assets. The first concerns the nature of the transition period to inevitable black rule. Clearly the more disruptive and violent this phase the poorer would be the performance of the economy.

It would appear now that there is a much better chance of a period of negotiated transition during which no significant threat of large-scale organised violence against the South African Government will emerge. The economy can perform quite well under such conditions.

The second major uncertainty, that about the economic structure of South Africa after black rule, has now had the opportunity to emerge in an important way.

First prize for all South Africans, especially the poorest of them, would have been an early commitment by the ANC [African National Congress], should they attain power, to continuity in tax and other policies currently adapted towards foreign investors in South Africa. Such a declaration would address the major fears of potential foreign investors. Talk of nationalisation, however muddled, will have severely inhibited what is potentially a

very large early flow of portfolio and more important direct foreign investment in Rand assets. Nothing could be more immediately beneficial to South African labour and to South African consumers than a strong inflow of direct investment.

Direct investment combined with the right kinds of operating skills and systems would achieve the most rapid response in the form of growth in employment and output in South Africa as in Eastern Europe. Fundamentally, South Africa is much better placed to rapidly absorb such investment. South Africa, unlike Eastern Europe, does not have to invent the private corporation or a well-developed financial market to direct freely the flow of capital to those who can use it most effectively.

Unfortunately, first prize will not be within the grasp of South Africans until the ANC commits itself firmly to what in the financial capitals of the world would be regarded as a sensible set of policies towards the owners of capital, foreign and local. This would not exclude an important role for the state in the direction of the economy or in the distribution of the rewards of private initiatives. The issue is one of the degree of such interference and encouragement exercised by the state rather than any absolutes.

Clearly state ownership of important sectors of the economy would be very unimpressive because it would be associated with artificially high costs of doing business here. State-owned industries are notorious, worldwide, for being very good for the people lucky or politically influential enough to work for them but bad for everybody else faced with poor service and the high charges required to cover inflated wage bills. Typically too, state-owned industries generate financial deficits that have to be carried by the taxpayer rather than financial surpluses available for redistribution. The expropriation of property without full compensation would of course make South Africa an absolute no go area for foreign investors.

For very good case studies indicating just how to go about discouraging direct foreign investment the ANC need look no further north than Zambia or Zimbabwe. In Zimbabwe a major source of weakness has been the mismanagement of exchange and import controls. If a future South African Government could be persuaded to rely less than it has until now on these corruptible policies, policies that are also so destructive of economic growth, this would be a most welcome signal to foreign capital.

If there is one area that distinguishes the winners from the also-rans in the world economic system it is in attitudes to foreign trade and capital movements. The high road is clearly marked to follow the western democracies to freer trade and freer capital flows.

The owners of industrial capital have, as a result of disinvestment, benefitted greatly from the lack of competition in the form of new investment or freer imports. Profit margins in industry recovered very strongly soon

after the Rubicon speech shock. Ever since then and to the present day, earnings growth has been sustained at near record rates.

A combination of resilient final demands combined with low levels of net investment has been good for shareholders and has made life more difficult for managers, workers and consumers. A burst of investment, especially direct foreign investment, would put the boot firmly on the other foot, that is on the feet of employees and consumers.

It is vitally necessary for South Africans, generally, to adopt a degree of sophistication and their approach to end expectations of economic policy. It is capital vs new capital that needs to be encouraged. The notion of capital vs labour is one of those Marxist myths that evidence should long have disabused. Workers are best protected and best rewarded when capital is abundant and labour scarce. The supply of much new capital from domestic and especially foreign sources will be indispensable for improving the real earnings of all South African workers, also managers and especially those many workers so far unable to break into relatively well paid jobs in the formal sector. To pretend there is any other practical way to promote the growth in incomes of all South Africans, other than through the active encouragement of saving and investment from all sources, would be a tragic disservice to the many poor people of our potentially rich country.

#### \* Warning: Idealistic Policies

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[Article by Nicoli Nattrass, Researcher, University of Stellenbosch and PhD student at Cambridge University: "You Can't Offer Paradise Unless You Can Deliver." The people want housing and wealth. But can the economists provide?]

[Text] That the future South African economy will be a social democracy or "mixed economy" seems incontrovertible, except perhaps to those still advocating free markets or central planning from the ideological fringes.

In left-wing circles, the strategy of eradicating capitalism has shifted to one of limiting and controlling it. Capitalism is now seen as a conflictual, potentially efficient but highly malevolent system which can be tamed and guided in socially acceptable directions by a suitable regulatory context.

It is recognised that market-related incentives are just as important for growth as state intervention is for combating poverty and unemployment. Furthermore, as social democrats such as Pieter le Roux (UWC) [United Workers Congress] and Francis Wilson (UCT) [University of Cape Town] have argued, there is no necessary conflict between state intervention and capitalist accumulation. State subsidisation in education, welfare and

housing can have highly beneficial effects on productivity. The question boils down to the mix of market and state intervention.

Although the debate is open and remarkably conciliatory, it is still disturbing that alternative policies tend to be put forward as if there are no economic trade-offs between various goals. For example, Cosatu argues that a "high wage low cost" economy will boost demand and productivity, and in this way address the problem of poverty and unemployment.

High wages will indeed boost demand, but this will only have positive economic effects if output rises proportionately. If the increase in wages is not balanced by an increase in productivity and hence output, then too much money will be chasing too few goods and inflation will rear its ugly head. Furthermore, balance of payments problems could result as imports rise in response to the domestic shortage. Boosting wages is only a sensible strategy when growth is constrained by deficient demand for domestically produced goods or for goods which could be produced domestically at short notice.

Trade unionists like Alec Erwin and Dave Lewis believe that this is indeed the case. South Africa's high propensity to import and the limited nature of her domestic market is, according to this argument, a function of the highly skewed distribution of income. The answer is thus to redistribute income from the richer to the poorer sections of society.

The rationale for a high wage policy is based on an economic theory remarkably similar to the "inward industrialisation strategy" much touted in government circles. The idea is very appealing: if the wages of the lower income classes are boosted, then this will have positive multiplier effects on the informal sector, small businesses and the construction sector. As far as the "low cost" side of the equation is concerned, this clearly has to do with improving the efficiency of firms. Given that the biggest culprit responsible for South Africa's high cost structure is extensive tariff protection, it follows that a more competitive industrial structure is being envisaged. Does this mean that Cosatu [Congress of South African Trade Unions] and the free-marketeers are seeing eye to eye in this respect?

More seriously, it is disturbing how many questions are begged in the "high wage low cost" analysis. For instance, if the object is to boost the market for low income domestically produced goods, then it is far from self-evident why this should involve increasing the wages of those already in jobs. State subsidised labour-intensive public works programmes designed to provide the masses of unemployed people with income, coupled with targeted aid to informal and small businesses might be far more directed and appropriate.

A policy which aims at avoiding the pitfalls of inflation and balance of payments constraints needs to make sure that the demand for imported consumer durables is not boosted. The best way of ensuring that is to target the

very poor rather than boost the wages of those whose consumption needs will probably not be adequately met by the informal and small business sector. Much more information is needed about South Africa's productive capacity and working class income and expenditure patterns before it can be unambiguously asserted that a high-wage strategy will not have adverse consequences for inflation and the balance of payments.

The most disturbing trade-off which is not dealt with squarely is that between high wages and unemployment. Expecting firms to deliver both high wages and increase their levels of efficiency could have two potentially damaging effects. Firstly, they could opt for more capital-intensive techniques which might well lower the level of employment. The answer usually provided against this argument is that capital intensity increases labour productivity and hence output and also employment via second- and third-round multiplier effects.

However, this depends on the strength of the firms and the economy and it is far from clear that such a favourable outcome will result.

Secondly, firms could actually fold under the pressure of restructuring. Given the inefficiency of South Africa's manufacturing sector this could be a severe problem. Output and employment could fall as a result. The implications of this for increased poverty and unemployment are serious indeed.

It is not for nothing that economics is known as the "dismal science." Just and competing claims on economic resources always outweigh any economy's capacity to fulfill them. Furthermore, there are limits to redistribution and often nasty trade-offs between equally desirable policy objectives. These must be explicitly recognised and honestly faced by those debating South Africa's economic future. Advocating strategies which allegedly solve all South Africa's welfare and economic problems in one fell swoop is not only bad economics, but also irresponsible politics. If people are led to believe that there will indeed be housing, security, high wages and jobs for all soon after liberation, then they will justifiably be angry when the economy fails to deliver.

#### \* ANC View

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30 Mar-4 Apr 90 pp 11-12

[A personal opinion by Vella Pillay, ANC Department of Economics and Planning: "Tomorrow's Economy, As Seen From Lusaka." An ANC [African National Congress] economist describes a post-apartheid economy based on a mixed economy.]

[Text] For some six years now, the economy has been experiencing severe difficulties. Production has stagnated and living standards have fallen, at least for the black population. The economy suffers from massive unemployment, persistent high inflation and a collapsing

currency. The ever-rising material costs of keeping the structures of apartheid in place have produced substantial deficits in the government's finances. Business confidence has visibly broken down, leading to sharp falls in corporate investment activity.

The traditionally South African way of managing the economy has now reached a dead-end. State President F.W. de Klerk's recent actions and in particular his speech of 2 February suggest that he is beginning to recognise this fact—a point which the African National Congress and its Deputy President Nelson Mandela have acknowledged. However, what remains unclear is whether the deeper causes of this economic crisis are fully understood by either the government or by business in general.

In our view, the apartheid economy has been irretrievably destabilised by the people's revolt and the growth of trade union militancy and, next, by the supporting movement of international sanctions and the isolation of the apartheid regime and its economy. The crisis has become comprehensive, and now urgently requires both a profoundly new approach to the management of the economy, and a political settlement based on the extension of democracy to all the people.

There is little recognition of these facts by the powers that be. Policy remains focused on keeping the white tribe on top, while rearranging the furniture of apartheid through "reforms." In its fundamental economic design, South Africa has hardly changed: the pillars of economic power remain the six conglomerates which account for 80 percent of the capitalised value of the equity quoted on the Johannesburg Stock Exchange, and the state-owned parastatals which account for some 40 percent of white employment and 29 percent of the gross domestic product.

What we have here is a stunningly unique concentration of wealth, in particular of productive assets, in the hands of a tiny minority in an economy otherwise characterised by an appalling poverty and deprivation among the black majority. The inequalities in wealth and income between white and black are exceptional—over 83 percent of whites earn more than R16,000 a year compared to less than 5 percent of blacks, with a minority of 5 percent of the population, predominantly whites, owning 88 percent of the all personal wealth.

Unemployment among blacks is now in the region of 4.5 million and can be expected to continue, reaching around 40 percent of the black working population by 1991. The conditions of life for the black population in the rural areas, in the bantustans and in farm employment is disgraceful for an allegedly civilised country.

For us, the way out of the economic crisis must be related to our peoples' expectations from a democratic South Africa. In any event the satisfaction of these expectations is central to overcoming the country's political impasse. These expectations, at the minimum are:



- A living wage which guarantees for every worker and their family a decent diet and adequate shelter; a similar substantial set of improvements in the income and conditions of work for farm labour, supported by a structure of generalised social contracts between labour, management and farmers, designed to bring a decisive end to the apartheid era of unrelieved exploitation;
- The extension to all our people of social security, medical support and generally of a safety net for the old, the disabled and the unemployed;
- Free and equal education for all, coupled with the availability of adult polytechnical training facilities.

Yet, in South Africa's demand-constrained economy, the black people are too poor to generate sufficient demand to increase employment and overcome the reportedly substantial over-capacity in various productive sectors of the economy. Thus, to take an example, the spin-off and multiplier effects on the aggregate economy of, say, a 30-40 percent increase in the average black wage rate and an accompanying programme for the construction of a million homes within the next two years could provide the spurt to secure the economy's long-term growth and expansion. In a word, the satisfaction of these expectations go to the very heart of the problem of constructing the post-apartheid economy.

It is this consideration which explains the commitment of the ANC to the policy of a mixed economy—a commitment which is inscribed in our Constitutional Guidelines.

The post-apartheid state will have to pursue an activist economic programme designed to satisfy in a planned manner these expectations of our people. A unified fiscal and monetary policy aim to secure internal and external equilibrium, and the release of those resources resulting from the abolition of the duplicate structures of the apartheid system and other wasteful expenditures to assist in meeting the costs of an expanded "social wage" in support of the people's needs. The funding of the increases in the average wage-level will inevitably be borne by corporate profits and perhaps a freeze on white incomes for a few years.

These measures will have the objective of fostering a clear movement towards the redistribution of income in favour of the people as a whole, but in itself is unlikely to be sufficient. The democratic state will be required to bring about significant changes in the relations between labour and capital in industry and agriculture with a view to ensuring a proper and more equal working relationship. The democratic state's intervention for these wider purposes could take any one or a combination of the following:

- Through legislation to curb monopoly power and where necessary to dismember some of the key conglomerates, to bring industrial development closer to the dictates of social need and the market. Clearly such a course cannot be pursued mindlessly, given the

advantages of the economies of scale and the intrinsic nature of size in determining investment needs in particular economic sectors, especially in the infrastructure and mining. Where it would be uneconomic to apply anti-trust legislation, the state would be justified to seek a role in such enterprises with a view to safeguarding the public interest.

- A greater diffusion of power within industry through the spread of ownership, and the involvement of the work force, the state, local authorities and, where possible, direct consumers on to the boards of corporations. The state would be critical in exercising influence on the flow of investment, the distribution of income and generally the direction of the economy.
- In much the same way as many of the parastatals were created with the support of private capital with the objective of providing unemployment to the poor white group in the period since the 1930s, so today the democratic state will be obliged to consider a programme of renationalisation of the privatised parastatals. Our objective here will be the development of socially useful industrial and service infrastructure and to open a measured process towards the redistribution of wealth. The latter, in our judgement, is a primary condition for the medium to long-term development of an equal and democratic economy in our country.

Overall, then, the mixed economy approach would require the state to secure legislative powers to steer the economy in directions which satisfy the requirements of internal and external equilibrium.

Moreover, the state will have far-reaching obligations for creating an adequate and modern infrastructure for a growing population, and in particular to their health, education, social welfare and other social needs. All this will have to be addressed in a responsible manner, given the fact that our country will have to generate the needed resources through hard work, and deep sense of unity and purpose among all our people.

#### \* Effects of Sanctions, Disinvestment Viewed

90AF0076A Paris JEUNE AFRIQUE ECONOMIE  
in French Mar 90 pp 84-87

[Article by Hassan Ziady; first paragraph is editorial comment]

[Text] In the field of foreign commerce Pretoria has always been able to find trading partners. However, in the financial area sanctions were choking the country. Capital is coming back with the easing of the political outlook. It is now a matter of going beyond a merely symbolic loosening of the situation.

Without a discordant note the international community rejoiced at the release of Nelson Mandela. Without a doubt 11 February 1990 will be an historic date for Africa, whose various consequences are still difficult to evaluate, although the emotional impact of the event is undeniable. Some people saluted the political courage of



President De Klerk, who dared to cross the Rubicon. Other people emphasized the future role of the historic leader of the ANC [African National Congress].

In his first statements Nelson Mandela called for the continuation of the armed struggle and strongly demanded the continuation of economic sanctions against South Africa. After his release he confirmed his support for a program of nationalization of vital sectors of the economy. This was a real cold shower for business circles. The immediate results were a fall in the financial rand and, above all, the electric shock given to the Johannesburg stock exchange. The principal companies listed lost 10 percent of their value in a single day, in a very narrowly traded market. Subsequently, the black leader, who paid tribute to the South African president, has sought to reassure the white community by declaring himself ready "to make a peaceful contribution" to the problems of the country, provided that "the white administration normalizes the situation."

Once the surprise effect was over, South African business circles regained their composure. Rightly or wrongly, they thought that the speeches made by Mandela were intended for domestic consumption, above all, and that the essential objective was to be in a strong position at the time of the future negotiations between the ANC and the Pretoria government.

This means that the stakes are enormous for an economy which has been little by little asphyxiated by external pressures, despite an extraordinary ability to react rapidly.

In 1985 the country was plunged into a serious economic crisis when the revolt of the black townships and the establishment of the state of emergency led foreign banks to shut off their credit to South Africa and to demand repayment of their loans. At the same time the bugaboo of sanctions, long threatened by the Western countries, became a reality. Little by little the vice was tightened, and Pretoria, unable to honor its financial commitments, decreed a unilateral moratorium on the repayment of the principal of its short-term debt.

Contrary to a widespread impression, the economic sanctions did not force the country of apartheid onto its knees. Certainly, they held back the development of the country, where the growth rate declined from 5.1 percent in 1984 to 0.8 percent in 1985 before returning to 3 percent in 1987. Certainly, the sanctions limited South African exports, which fell from \$18.3 billion to less than \$16 billion some 4 years later.

However, Pretoria also suffered from the process of disinvestment. Between 1985 and 1989 \$13 billion left the country in this way, to which should be added \$4 billion lost in export receipts and more than \$6 billion in external debt service. Half of the 1,120 foreign companies established there in 1985 left the country. However, in two cases out of three they were taken over at very low prices by South African company groups, some of which were apparently only figureheads.

Speaking to the press on 8 February 1990 in Cape Town, Chris Stals, the governor of the Central Bank, recalled that "more than anything else, it was the enormous outward transfer of capital which explains the relatively modest growth rate recorded during the 1980's. These capital flows justify a policy of economic restraint to limit imports and generate a surplus in the balance of payments adequate to cover outward capital transfers." This was a strategy which would make 1990 the year of consolidation of what has been achieved, through reductions in bank loans and in the money supply, the reduction of the inflation rate, the consolidation of the external debt, and, even more, a net increase in domestic savings.

### **Sanctions Severely Limited Investment**

In the financial field economic sanctions severely limited the availability of new money and, on this basis, investment capacity. As the savings capacity of the black community is extremely small (less than 10 percent of total savings), the savings generated by the 6 million whites could not, by themselves, finance the development of so large a country, where population growth is more than 2.6 percent. This was all the more true since the country had to deal with the maturity dates of a debt of \$21.2 billion, whose annual service was estimated at \$2.7 billion in 1989. Despite the one time rescheduling of \$8 billion in October 1989 by the lending banks, obtained, it is true, after Washington had given a green light to the transaction, there are still \$8 billion more to be repaid between now and 1993. With a total foreign debt amounting to nearly one-quarter of Gross National Product, Pretoria has to spend more than 12 percent of its annual export earnings to pay back its loans.

Nevertheless, in the foreign trade sector Pretoria has always been able to find new trading partners. Even though it has had to pay a rather high surcharge, South Africa has been able to arrange for supplies of petroleum and has succeeded in setting up strategic stocks of oil. Although iron ore, steel, and coal are subject to the embargo, these commodities were only included because the world had a surplus of them. And then, like France, which between 1986 and 1988 imported 1 million tons of "Australian" coal from Belgium, everyone knows that the embargo laws can be bypassed easily. This leaves those metals considered strategic for Western countries, such as manganese, platinum, chromium, or vanadium, of which South Africa is the largest producer in the world and which have never been subject to any embargo.

And in this connection hypocrisy is not the monopoly of anyone. Both within the European Community as well as in the Commonwealth, Great Britain has always firmly opposed sanctions and has remained one of Pretoria's principal trading partners, as has Japan. The Federal Republic of Germany has also shown little concern for the international boycott. More than 200 West Germany company groups are reportedly directly or indirectly still active in South Africa. Hong Kong, Taiwan, and Switzerland, in particular, have clearly taken advantage of

the situation to increase their financial loans to South Africa at a substantial rate of interest.

#### **An Important Step Toward Normalization**

In this connection Africa itself has not remained idle—far from it. All of the African countries have or have had trading relationships with Pretoria.

Although they are classified "Defense Confidential," official South African statistics reportedly indicate that trade between South Africa and other African countries doubled in 1989—after having increased by 50 percent in 1988. In terms of total value this trade reportedly amounted to more than \$3 billion. Among the countries which have reacted the most quickly to the changes are: Ivory Coast, which invited Africa to assist the South African Republic; President Bongo of Gabon, who has spoken of reestablishing diplomatic relations; and Marshal Mobutu of Zaire, who has expressed a desire to have a mini summit meeting with South African President De Klerk.

There are many African political leaders who now state that they support the South African president and plan to assist his strategy. They are convinced that, although he was raised in South Africa, De Klerk has come to the conclusion that apartheid was leading his country to disaster. This is a change which, it is true, owes a great deal to other changes which have taken place in Eastern Europe, to the new situation in Namibia, or even more to the Soviet withdrawal from Southern Africa. And internally De Klerk had to respond to the continuing pressure from businessmen.

This was the case with the all powerful Harry Oppenheimer, in whose view "apartheid is incompatible with the economic potential of the country." Or with Gavin Relly, president of the Anglo-American Corporation, a very large company which by itself constitutes 10 percent of the South African economy. He greeted "the release of Mandela as an important step toward normalization of the political life of South Africa."

It should be said that business circles never hid their concern about the deterioration in the situation. In 1988, after 2 years of hesitation, they succeeded in starting up the economic machine in South Africa. Pretoria even recorded an insolent growth rate of 3.8 percent in the face of the world.

As a result the South African leaders had to do everything possible to calm the situation. Confronted with an inflation rate of 15 percent, in 1989 they had to limit the money supply, which had increased by 27 percent, instead of the 16 percent forecast. In the same way, with an increase of 54.8 percent in its index, the Johannesburg Stock Market was the second largest world market in terms of growth in 1989. This indicated excessive activity detrimental to stable growth. This created an overall situation which was reflected by a continuing increase in interest rates, which bounded up from 15 percent to more than 19 percent in the space of 1 year.

#### **Deflation and Liberalization Were Essential**

The year 1989 also reflected two major facts.

On the one hand there was the steady return of a certain number of investors and the repatriation of capital by South Africans, which showed unquestionable confidence in the potential of this country and support for the process of reducing political tensions.

On the other hand there were very strong social tension and an increase in social conflict. In 1989 the days lost to strikes increased by half, compared to 1988, and two major labor conflicts, in the breweries and in the railroads, had an impact on people.

Since his election to the presidency De Klerk has undertaken a major, deflationary program, involving measures of budgetary austerity and restrictions in the money supply, aimed at setting in place the foundations of economic recovery. This is a strategy which, added to the efforts at political liberalization, should satisfy South African business leaders.

In order to turn the page definitively, there now remains implementing a real policy for the reallocation of resources and a more equitable redistribution of income to the benefit of the black majority. If this is not done, the "release of Mandela" threatens to remain strictly symbolic, and the process begun by the South African president would be like a jump into the unknown.

#### **\* De Klerk Gains Trade, Diplomatic Advantages**

34000596B Johannesburg FINANCIAL MAIL  
in English 6 Apr 90 pp 22, 23

[Text] Diplomatic and foreign trade relations have improved substantially over the past few months—at last. This is the first time since the process of excluding SA [South Africa] began in the Fifties that there has been a roll back.

Not only have important heads of State and foreign ministers had talks with President F W de Klerk—there are others who have sought him out in the country itself. Trade delegations have been moving to and from, new trade commission offices have been opened and the social ostracism of SA diplomats and trade representatives has been substantially reduced.

SA exports are re-appearing in increasing quantities on the shelves of our traditional trading partners; more direct trade is now taking place without the intermediation of expensive middlemen; and new markets have been opened up for relatively cheap and high-quality consumer products in central Europe, the Far East and Africa.

We have already reported in recent months on the improved attitude of foreign financiers towards SA enterprises that require loans and facilities from abroad. And there is good reason to believe that in the months

ahead there will once again be public offerings of the bonds of SA undertakings in the appropriate foreign markets.

According to Trade Minister Kent Durr, the thaw has been particularly noticeable in the EC. "Even our personnel who had been excluded from the social circuit in Brussels are now being invited back again," he told the EM.

Last week, Durr met his Italian counterpart, who indicated during their talks that not only should discussions with SA be encouraged; but he undertook to bring a crafts exhibition here and invited Durr to visit Italy officially.

During a November visit abroad, Durr himself was received by the European Commissioners and the general-secretary of the EEC—the first time they have ever received a minister from this country. New trade commissions have been opened recently in South America, central Africa and Europe.

But not only is SA aiming to regain traditional markets, it is breaking new ground elsewhere. "We have established our presence in central (that is, eastern) Europe and some of those countries are establishing their presence here. My department had taken trade delegations—including high-powered SA businessmen—during the past few months to central Europe and mainland China. In turn, there have been trade delegations here over the last four months from central and eastern Europe and Central America."

Local banks have been involved in establishing credit lines and developing appropriate financial instruments. Countertrade arrangements have been made, though Durr regards them as a second-best deal.

He sees Africa as an important potential market and recently opened a trade commission office in Zaire, from where a trade delegation has visited SA. "There is a constant flow of people from Africa to our country and we have taken teams of industrialists into Africa," he says. While the African dimension remains small, it is important at the margin: 32 percent of high added-value exports go into Africa. And his department has recently established an Africa desk to deal with the specific requirements of trade on this continent.

In very few of these meetings and visits have sanctions been an issue, or, indeed, even discussed. "We have not been seeking to parade what we are doing. For we are often dealing with frail democracies and we understand that they lack confidence in general and need to develop a confidence in us as well."

Durr explains that these new and more direct contacts are shortening lines of communications, enabling trade to take place without the involvement of agents. This is particularly important because some commodities and manufactured goods were being handled by as many as three agents, each of whom added 20 percent to 30

percent to the price. It is also easier for businessmen who meet face to face to identify and exploit mutual trading opportunities.

What the "frail democracies" want from this country are high-quality consumer products such as wine, fruit and wool. "SA, too, is a world leader in quality and we are transferring this knowledge. We have intermediate technology (midtech) which is appropriate to the development levels in these countries. In fact, much of our technology is especially appropriate to their requirements. We have also invited them to work alongside our Small Business Development Corp, in which there has been a lot of interest," he says.

Durr believes that in the improved political and diplomatic climate, his department has played a considerable role in expanding SA trade and the attainment of our present substantial trade surplus by providing leadership, building up an export culture and concentrating on becoming a service ministry for business.

The extent of the thaw, however, is much wider than trade relations. The efforts of Foreign Affairs Minister Pik Botha and his officials are bearing substantial diplomatic fruits after years of hard and patient struggle—verging sometimes on the hopeless.

Speaking frankly in his Cape Town office this week, Botha said that at last he had a product that was saleable. The present thaw was the highlight of his 37 years in the Department of Foreign Affairs.

The prospects of Hungary opening a trade mission here are good, he says. While in that country in January, he met opposition leaders Miklos Szabo of the Free Democrats and Geza Zsazonszky of the Democratic Forum. Both Approved of his visit.

In Argentina, SA's representation had been upgraded after a scaling down virtually to a caretaker position. Deputy Foreign Affairs Minister Leon Wessels has attended the inauguration of both new presidents of Chile and Brazil.

Botha himself describes his recent meeting with U.S. Secretary of State James Baker as the best he has had with any Secretary of State. There has been communication with Canada's Foreign Secretary Joe Clark—which suggests improved relations with that country, too.

The visit of the European troika here on a fact-finding mission between March 10 and 12 meant that they would have reported back to the 12 nations before he and De Klerk go to Europe. "I wanted them to come before we went and I prefer the Europeans to tell us what remains for us to do. Then at least we get a chance to iron things out before we see the European heads of State," he says.

Relationships with Britain—where Margaret Thatcher moved quickly to remove the new investment and cultural sanctions—and with West Germany remain good. And in the US, the actions of the Wolpe Committee will



make it difficult for America to increase sanctions. A resumption of trade, however, would require legislative approval.

Our relationship with Japan, soured by the US release of Japanese-SA trade figures, is improving, especially after a meeting with a group of Japanese, which included an ex-foreign minister. The FM believes there are grounds for reasonable expectation that the status of the Japanese consul-general here will in the foreseeable future be increased to ambassadorial level.

The Swedes, too, have indicated to both De Klerk and Botha a softening of attitude, though the Swedish foreign minister believes it will take time to change the popular Swedish view on SA, which is conventionally hostile.

Botha says the situation in Angola remains fluid. Certain suggestions had been made to Eduardo dos Santos. "The Americans and we take the same stand on the issue...It is both our wish that the parties should conclude a ceasefire agreement," he says.

In Mozambique, perceptions of SA are improving. "We have taken steps to convince President Chissano that we are not supplying Renamo [Mozambique National Resistance] with arms. The rapport between us and Chissano is really very good." Zimbabwe's President Mugabe remains the odd man out.

Botha has no doubt about what is the most important reason for this changing attitude towards SA. "The effect of what happened in eastern Europe is so far-reaching for us that I do not think our people fully understand the implications. Imagine where we would have 18 months ago if we had to negotiate with the ANC-PAC [African National Congress-Pan-Africanist Congress] on a basis of the then policies of socialism, Marxism and one-party states. The advantage now is that we do not have to change our economic policy. The other parties have to change theirs...

"The effect of the unbanning of the ANC and Nelson Mandela's release also played a major role in changing attitudes. What happened in Windhoek (at the independence celebrations), however, was the watershed. Until then, the perception of what De Klerk was doing was good. Windhoek was the actuality.

"Even Soviet Foreign Minister Eduard Shevardnadze accepted his integrity and sincerity and realised that the road the SA government was taking was irreversible."

While the De Klerk government is clearly very seriously concerned at the loss of life in the current wave of violence, especially in Natal, there are few reasons to believe it will retard the diplomatic and trade thaw. For the ANC's manifest inability to control warring factions and reluctance to begin serious talks is heightening impatience in Western capitals.

The current outburst of violence is clearly not intended to overthrow or destabilise government, as it was in the late Eighties. It emphasises instead the shortcomings of a

revolutionary movement out of touch with reality and reluctant to embrace the Western democratic standards and economic values on which De Klerk is making an uncompromising stand.

"No government will ask for constitutional change to make way for violence," Botha says. "Not even the UN had approved the handover to an interim government."

Nor were sanctions raised by De Klerk or Botha at the Windhoek diplomatic meetings—though some of the others did so, not without embarrassment on their part. "SA has a new image," Botha says, "and I do not fear an extension of sanctions as we move along.

"The climate in Europe is one of opening up trade with traditional partners.

There was interest in and discussion of his idea for a Marshall Plan for southern Africa to encourage Western investment in the area. To be successful, however, it would also have to entail a rejection of one-party states and Marxist policies. The new mission would be economic advancement—one that Botha expected would become increasingly the slogan of the non-aligned nations as the gap between East and West closed further.

There is little doubt that De Klerk has taken the diplomatic initiative. He has emphasised to the West that he is in a hurry to reform and negotiate an equitable constitution here and redress what he calls the social and economic backlogs that have placed blacks at a disadvantage.

He has embraced Western democratic and economic values that are difficult to gainsay. The peaceful revolution in central Europe, the failure of socialism and the degradation of central Africa reinforce his stance.

The ANC, on the other hand, has made clear its preference for violence and an economic system that has failed to sustain a supply of even the basic necessities of life. It is vacillating, capricious and uncertain. Its moral and material support from abroad is waning.

In these circumstances it is difficult to see—especially in the absence of inspired and firm leadership—how the ANC can regain the diplomatic advantages it enjoyed only a short time ago.

#### \* Van Zyl Slabbert: Partition May Be Negotiable

34000593A Johannesburg THE STAR in English  
5 Apr 90 p 4

[Article by Shirley Woodgate]

[Text] Professor Carel Boshoff's partition plan [words omitted] provided it was sacrificial partition, not greedy partition".

The director of the Institute for a Democratic Alternative (Idasa), Dr Van Zyl Slabbert said this in a address to the Wits Business School Association yesterday.

Stressing that increased volatility from the Right was inevitable under the present circumstances, he said it was crucially important to differentiate between the "weirdos, the bushveld rambles and the genuine white homelander."

Outlining recent developments, Dr Slabbert said white minority domination had never before been negotiated away by those in power, and never before had democracy been negotiated by the people involved.

This process had not occurred in Namibia or Zimbabwe where the major parties had never negotiated with each other, the actual process being largely left to outsiders: "Lord Soames in Zimbabwe and (to laughter) Lord Pienaar in Namibia.

It was therefore inevitable under present circumstances a sense of confusion was to be accepted while all parties from the PAC [Pan Africanist Congress] to the CP [Conservative Party] experienced a period of readjustment.

Lauding President de Klerk, whom he described as "infinitely more intelligent" than his predecessor, Dr Slabbert said he had given his MPs [Members of Parliament] a sense of personal liberation and had made it easier to be an Afrikaner walking through customs and immigration check points in other countries.

He said Mr de Klerk's concept of normalization of political structures and the creation of circumstances for all legitimate people to play their part together had caught everyone by surprise.

"Not least the ANC [African National Congress] which did not expect him to seize the Harare Declaration and act on it," he said.

To expect a 71-year-old (Mr Mandela) to come back and give answers, or the ANC to react instantly, was unrealistic, he said.

#### \* HNP: SABC Furthers ANC Propaganda

90AF0081A Pretoria DIE AFRIKANER  
in Afrikaans 7 Mar 90 p 10

[Letter by Mr Jaap Marais, leader of the Reformed National Party, to Mr Wynand Harmse, director-general of the SABC: "SABC Furthers ANC's Propaganda"; first paragraph is Die Afrikaner introduction]

[Text] The conspicuous partiality towards the ANC [African National Congress] and its leaders which the SABC [South African Broadcasting Corporation] is showing—particularly in its television programs—has engendered great indignation and consternation among whites. A pent-up feeling of resentment over that behavior and the subsequent scaling-back of coverage and poor treatment in the electronic media of white opposition to the government's becoming friends with the ANC and the SACP (South African Communist

Party) is generally perceptible. In order to give expression to this feeling, the leader of the Reformed National Party (HNP), Mr Jaap Marais, sent a letter on 27 February to the director-general of the SABC, Wynand Harmse. Copies of the letter were sent to, among others, the relevant government minister, Mr Eugene Louw, and the chairman of SABC, Prof Christo Viljoen. Mr Marais' letter reads:

"There is consternation and indignation at the manner in which SABC-TV is handling the Mandela affair. The manner in which SABC-TV presented Mandela's release and subsequently took advantage of every opportunity where favorable publicity could be given to him was an uninterrupted propagating of the ANC's cause. It can properly be asserted that if the ANC were in control of the SABC, it could not have done anything better for itself than what the SABC has done in the recent past. And this more or less says it all.

"It seems as if all sense of reality has been sacrificed for the sake of the political necessity of building up the image of the ANC and Mandela and to give the impression of a power that is washing over South Africa. What makes this all the more surprising is that the SABC is singing along in the choir of the far-left of the political spectrum both inside and outside of South Africa, and is working together in complete harmony with the notorious enemies of Afrikanerdom and with the exterminators of white communities in Africa.

"Without the SABC's television glorification of Mandela, he would have gone bent beneath the burden of his past history as a political tyrant with communist associations. Now the SABC is giving him what amounts to freedom of the airwaves in order to come to the fore as the most important public figure, while the policy he represents is a provocation to the Afrikaners and their white compatriots:

- A robbing of the whites by way of a rapid redistribution of wealth;
- A redistribution of the land among those who work it; and
- A constitutional system of one man-one vote and the winner take all. (You can read all of this in the Harare Declaration and the *Freedom Charter*.)

"Thus, the Afrikaners and their white compatriots have to be robbed of their property as well as their freedom. And the SABC is giving the principal advocate of this policy the unlimited opportunity to build his political image and to strengthen his authority!

"As an expression of the belief that the Afrikaner people must be cast out of the central position which they had historically earned in South Africa, the ANC wishes to hold its national convention this year on 16 December—an obviously symbolic act for the purpose of completely reversing the meaning of that day for South Africa: Afrikaner nationalism is to be replaced by 'African nationalism' and the top structure of SABC, primarily



occupied by Afrikaners, is furthering this policy which is hostile to the Afrikaner people.

"You will have to accept the fact that to the extent that complaints to the SABC have little or no effect, a point will be reached where Afrikaners will want to express themselves in a manner that would have been avoided under different circumstances. I hope you realize the seriousness of this matter."

#### \* CP Slams Liberal Support of Black Radicals

90AF0081B Pretoria *PATRIOT in Afrikaans*  
2 Mar 90 p 7

[Commentary: "Liberalism on Its Deathbed?"]

[Text] It has been a long time since a remark has kicked up such a fuss in politics as has the one by ANC [African National Congress] leader Mr Nelson Mandela concerning the nationalization of the mining industry and the banks. The big money interests in South Africa in particular have been seriously disillusioned by this intention on the part of the ANC. Had they not been exerting pressure on the government for years to legalize the ANC and other revolutionary organizations and let their leaders go free? The goal of this pressure was to "normalize" the situation in South Africa, which means that a black government must be put in power so that sanctions and isolation can be ended and the economy can "flourish" again.

But now their unofficial ally is saying that he wants to seize their assets. No wonder that after Mr Mandela's statement about nationalization, businessmen such as the chairman of Anglo American, Mr Gavin Relly, stubbornly persisted in maintaining that the ANC would not really do it after all. He obviously could not believe his ears—and precisely because he had shut them for so long to the principles and expressions of revolutionary politics.

Whereas Mr Relly and other big money bosses were able to profess to be speaking on behalf of the "oppressed masses" and to be furthering their interests, these masses have been able to make their voices heard more and more during the past years. With the removal of the restrictions on the ANC, PAC [Pan-Africanist Congress], and other organizations it is simply no longer possible for the big money interests to interpret the black radicals' views—the blacks are doing that themselves. In addition, developments have shown that the white big money interests are very poor interpreters of revolutionary black politics.

Just as the big money bosses have become unnecessary as far as their political role in aiding black politics is concerned, the white liberal political parties really no longer have any function in that regard either. Liberal elements, formerly in the old United Party and later in the Liberal Party, the Progressive Party and its successors—the Progressive Federal Party and the Democratic Party—really no longer have a role to play.

Just like its kindred spirit in the business world, the Democratic Party also blundered in regard to black politics. In last year's election, for example, the party named candidates for the Indian chamber, the House of Delegates—apparently blissfully unaware that the tricameral parliament is regarded by the ANC and other organizations as an "apartheid structure." The so-called liberal advocates for the "oppressed blacks" are now being replaced in all spheres of life. Even institutions such as the English-speaking universities, once the cradle of the liberal value system (freedom of expression, freedom of association), have long ago foresworn those standards and are now hotbeds of black radicalism.

The intended nationalization of key industries is but one angle of attack on liberalism. A subsequent victim is obviously that most fundamental premise of the liberal belief system: democracy. No one in full possession of his political senses expects that an ANC government in South Africa will preserve democracy. Why should democracy flourish in South Africa under a black government when this does not happen elsewhere in Africa? It is highly illogical and unscientific to harbor such an expectation.

As the traditional liberal interest groups lose their relevance, their supporters are going to be scattered among numerous other political parties, organizations, and interest groups. The National Party is already a popular place of refuge but the question is whether liberals will remain satisfied there as the government gives way more and more to militant black nationalism and also fails to maintain liberal values.

The liberals' basic problem is that they wanted to coopt black nationalism into a system which does not deviate much from the Western democratic model. Therefore an arrangement would have to be brought about in which black and white harmoniously rule jointly or even where blacks predominate in the government; the fundamental propositions of Western democracy and the free market system must just not be attacked. The "partnership" ideal of the old Central African Federation, which failed so miserably at the time, will simply not die. It also has become firmly rooted in the heart of the National Party.

As black revolutionary politics rejects these propositions as paternalistic and racist, the liberals' influence will fade and the organizations that represent their views will become irrelevant. What is now happening to the Democratic Party soon awaits the National Party. While history is seemingly moving strongly in favor of liberalism, events are actually in the process of destroying it totally in South Africa.

#### \* HNP: Historic Afrikaner Dates Used by Blacks

90AF0081D Pretoria *DIE AFRIKANER in Afrikaans*  
7 Mar 90 p 2

[Editorial by Gawie: "Heroes' Deeds Save the Volk"]

[Text] The merciless provoking of the Afrikaners is now going from one highpoint to another. It has now become fashionable for those of antinational disposition to

choose calendar dates that are of emotional importance to the Afrikaner in order to demonstrate their bedazzling liberalism.

Why did an Afrikaner leader last year choose 6 September as the day on which to enunciate a policy that totally repudiates the letter and the spirit of the Verwoerd idea? How else could it be interpreted by the world other than as symbolic of the death of Afrikaner nationalism? In their zeal to prove to the enemies of the *volk* that they are sincere in their betrayal, these types have also encouraged the black man to challenge the *volk's* sacred occasions. Thus they created the climate in which the ANC [African National Congress] was able to choose Sunday, 16 December 1990, for its national congress.

#### Provoking the Afrikaner

This provocation and everything associated with it has clearly driven something bottled up in the Afrikaner to the surface. It is indeed symbolic that this dispute has reached a new high-water mark in regard to the date 27 February—Amajuba Day. What now is the sense and meaning of this day—which had nearly fallen into oblivion—for the Afrikaners in their hour of crisis?

Amajuba Day reminds the Afrikaner of victory—and of defeat as well. On one occasion it was the prelude to the reclaiming of liberty, while on another occasion it was also the prelude to the loss of liberty. On 27 February 1881 the decisive Battle of Amajuba, where the Boers regained their freedom, was fought. Quite ironically, 27 February is at the same time a date that the Afrikaners would like to forget. On that day in 1900, General Piet Cronje surrendered along with 4,000 men to Lord Roberts at Paardeberg. This was a turning point in the struggle that eventually resulted in capitulation.

#### Resemblance to February 1900

Despite obvious differences, the situation in which Afrikaner nationalists now find themselves resembles, to an intriguing extent, the events which were played out in February 1900 in the vicinity of Paardeberg, however. Cronje was there with his force of 4,000 men, which in terms of Afrikaner numbers was not an insignificant force, yet, at the same time, he was surrounded by a totally superior force. On the other hand, there were the heroic efforts of a small number of men, with Christiaan de Wet in the lead, to relieve Cronje. But the difference between Cronje and De Wet lay in their different approaches to battle. Cronje chose to be defensive, but De Wet was an offensive warrior. They could not make contact with each other, and the outcome was the tragic surrender of Cronje and the crippling effect of that on the Boer forces.

One cannot help but wonder whether now, 90 years later, the Afrikaner is not again faced with a Paardeberg—this time not militarily, to be sure, but rather politically. The actors on the one side are Dr Andries Treurnicht with the main body of the *volk* gathered

about him but surrounded by a superior force that is demanding the destruction of the *volk*. Then again there is the minority led by Mr Jaap Marais and a few brothers-in-arms who hold out the prospect of a plan to relieve "the ones who are trapped." Dr Treurnicht rejected the plan and chose the immediate safety of his barricades over offensive action. The minority has not yet lost heart due to the force of circumstances, however, and thus their renewed appeal to Dr Treurnicht to come to his senses.

#### Inaction Stifles Hope

There is still hope among the *volk*, but inaction can transform hope into despair. Even Cronje had to watch some of his officers simply break ranks with him while others approached surrender in total dejection. The price that the Afrikaners had to pay was high. Ironically enough Commandant Jan Meyer was taken prisoner along with 400 men 2 years later—on 27 February 1902.

General De Wet wrote the following in his memoirs about Cronje's action: "The world will have respect for the great general and his brave citizens, and if I disapprove of him having stayed in his laager, then it is only because I believe that he should have sacrificed his warrior's sense for the welfare of his people and that he should not have been raved at the expense of his country's independence, to which he was as ardently devoted as was I and a few other people."

Even if, in the present crisis, there is no clear comparison to be drawn with the Battle of Paardeberg, the question remains: What will be the judgement that history renders regarding the plans and deeds of the Afrikaner leaders who are now in the midst of the struggle for the preservation of the *volk*?

#### \* HNP Establishes White Freedom Fund

90AF0081E Pretoria DIE AFRIKANER in Afrikaans  
7 Mar 90 p 3

[Text] What the Reformed National Party (HNP) began fighting against 21 years ago has now become a direct threat: the religious mutilation, financial robbery, political enslavement, and social swallowing up that follow in the wake of black government as has become evident everywhere in Africa.

Every reasonable person is shocked to realize that the De Klerk government is in the process of surrendering to the communist-dominated ANC [African National Congress]. They have turned their backs upon the whites: They have committed political treason against an ancestral group to which their parents belonged and they have become the tools of the British and the Americans against the values and interests of their own people.

The HNP is confronting this great challenge to our people cognizant of the ultimate test to which our faith in the justice of our cause and our ability to persevere will be put. No price is too great to pay in this struggle to protect what we have and what we are.

The White Freedom Fund is being established to make us capable of greater efforts and stronger actions, as well as to give every right-minded person the opportunity of personally making a tangible contribution to the struggle against the instability that our people have come to face. The South Africa that we sing about in our national anthem is now waiting to see what her children are prepared to do. Everything will have to be committed to the struggle if the white nation of South Africa is to be saved from destruction. Let us arise to do battle.

J.A. Marais, Director

W.T. Marais, Chairman

J.H. Jooste, Vice Chairman

Enclosed my contribution to the White Freedom Fund in the struggle to save the white nation of South Africa from destruction.

1,000 rands []

500 rands []

200 rands []

100 rands []

50 rands []

Other amount....

#### \* ANC Pressured by PAC, Other Radical Groups

34000597A Johannesburg THE WEL. KLY MAIL  
in English 5-11 Apr 90 p 10

[Article by Cassandra Moodley]

[Text] While the ANC [African National Congress] is obliged to talk peace to whites, its rivals can continue to mouth the militant slogans which many blacks want to hear. Will the PAC [Pan-Africanist Congress] profit from negotiations at the ANC's expense?

Is the ANC feeling pressure from radical black organizations which are opposed to negotiations?

The unbanning of political organizations in February has introduced a competitive phase in resistance politics, with extra-parliamentary organizations having more space to organize mass support.

Public attention is now on the ANC, says South African Institute of International Affairs researcher Gary van Staden, and it has to keep whites and businessmen, amongst others, happy. "It is difficult to do this without shedding some of your more radical support."

Van Staden adds that ANC supporters are confused by the organization's talk of negotiations on the one hand and armed struggle on the other.

This confusion is compounded by the fact that the ANC has not set up internal structures to consult with its supporters and potential supporters.

"An unwavering, unambiguous, uncompromising voice will thus strongly appeal to radical blacks," says Van Staden, adding that many people want to see the intensification of the armed struggle—a factor which gives the rival Pan Africanist Congress the space to broaden its constituency.

Right now it is only the ANC which is forced to talk specifics; the radical forces only have to mouth the clear unambiguous message that some want to hear, he says.

Van Staden believes the ANC's rivals have the potential to swing the mood of the people along an anti-negotiations path.

This process will be stepped up once negotiations begin and people realize the compromises and sacrifices involved.

The PAC, like Azapo [Azanian People's Organization], is clear in its stand of no negotiations unless there is one person one vote in a unitary state and a redistribution of resources. The organization is clear on the need to intensify the armed struggle.

In a major move, the PAC has restructured itself: forming an internal wing, which will operate as a parallel organization to the external PAC. The internal wing will deal with political policy while the external body's main function will be directing military and foreign affairs.

But while the potential has been created for the ANC to mobilize support, do they have the capacity to exploit the current climate?

Van Staden says it is impossible to measure PAC support on the ground or the level of insurgency.

He adds however that there seems to be a lot more support now than a few years ago, and an "improvement" in the external leadership and the guerrilla offensive inside the country.

PAC internal secretary-general Benny Alexander says: "When you engage in a political struggle you never politicize and conscientise every person. You conscientise a significant cadreship and then you lead the masses with this cadreship."

The organization claims support bases in 16 regions with over 60 established branches and over 100 interim structures countrywide. Most of their support is apparently in rural areas.

But the Africanist policies of the PAC are also spread by its student and youth formations, the Pan Africanist Student's Organization and the Azanian Youth Unity.

Alexander says the PAC internal wing sees its most important work as being among workers and through its African Labor Coordinating Committee it has much influence over workers in both Nactu [National Council of Trade Unions] and the ANC-aligned (at a leadership level) Congress of South African Trade Union affiliates.

PAC military bases are mainly in Tanzania and to a lesser extent in Iran, Libya and certain frontline states, says Van Staden.

But Van Staden cautions that while the PAC revival is significant, "the scale and intensity of the revival remain relatively low". In 1987, there were 85 Azanian People's Liberation Army insurgents and sympathizers killed or captured, and 446 insurgents of the ANC's military wing Umkhonto weSizwe that met the same fate in that year.

However, he does not believe that a numerical show of strength or the appearance of a strong military wing is needed to win over radical support, right now.

"The ANC occupies the center on the extra-parliamentary stage presently and it has to grapple with real issues, whereas the opposition merely has to articulate its position and highlight the ANC's shortfalls."

Van Staden believes however that the ANC has made considerable gains and the more radical forces won't catch up with the support the ANC boasts—too much time has been lost.

But in the final analysis it is not the support that will determine the victors, it boils down to power—leadership and resources, the organization that can harness such power will be the victor, he says.

#### \* Black Township Officials Respond to MDM

34000597B Johannesburg THE WEEKLY MAIL  
in English 8 Apr 90 p 15

[Text] Local governments in black townships are beginning to tumble.

The recent resignation of 19 Lekoa councilors, who resigned following a call by the MDM [Mass Democratic Movement] and residents to disband, appears to bear evidence to this fact.

ANC [African National Congress] deputy president Nelson Mandela had a meeting recently with the Soweto Council behind closed doors. This is thought to be a prelude to the possible dismantling of the council.

Mandela said he would first have to consult his colleagues, the Soweto People's Delegation (SPD) and the Soweto Civic Association (SCA) to inform them about the issues raised by council members.

Now, even the United Municipalities of South Africa (Umsa) has joined the call for the dismantling of local government and their replacement by a metropolitan type of government.

Groups in some areas have called on the government to appoint administrators to replace the councils, while others want it to revert to the method whereby Soweto and other townships were controlled by white municipalities such as the Johannesburg City Council.

Some people who served on local councils were attacked by elements opposed to their involvement in government bodies.

Several had their homes destroyed by petrol bombs while others lost their lives.

In an attempt to deal with residents' grievances, the government embarked on the upgrading of several programmes in many urban townships to provide services, jobs and houses. However, this upgrading strategy did not gain favor with the residents and political organizations who argued the time for upgrading certain projects was overdue.

Rent boycotts involving the non-payment of rent and service charges, which began in 1984, spread to 55 black townships countrywide, and although local authorities attempted to use a variety of strategies during 1988 to collect all arrears on rent and service charges they were generally unsuccessful.

In its 1988/89 survey report, the South African Institute of Race Relations pointed out that by the end of 1988, negotiations between black local authorities and township residents in the Transvaal indicated the boycott might be resolved in 1989.

According to the survey report the then Minister of Constitutional Development and Planning, Chris Heunis, had told Parliament that by December 31, 1987, arrears in rent and service charges owed to black local authorities amounted to R387 million.

In August, the Bureau for Information said the amount in arrears stood at R475 million, of which R361 million was owing on the Witwatersrand alone, and the townships which had the largest arrears were Soweto (Johannesburg), Diepmeadow (Johannesburg), Lekoa (Vaal), Mamelodi (Pretoria) and Tembisa (East Rand).

Scores of families were also evicted from their homes in townships all over Soweto and other areas including the Vaal for non-payment of rent and service charges.

The rent crisis showdown came in February 1987 when 1,000 residents of White City Jabavu marched to the local municipal offices to protest against the evictions of 28 families in their area.

A few months later the council adopted a new strategy to break the rent boycott and ordered that the doors be removed from the houses of evicted tenants to stop them from moving back into the houses.



Later residents of the Vaal Triangle townships held a meeting in Sharpeville at which it was proposed that tenants pay R30 a month for rent and service charges to the Lekoa Town Council.

The meeting also called on the council to write off the rent arrears that had accumulated since September 1984, which were reported to be no less than R50 million.

But the council, that was headed by Esau Mahlatsi, rejected the offer and urged residents to pay the full amount of R67,32 for rent and service charges.

Requests by different political and community organizations including the SPD, to have the entire arrears of all

townships affected by the rent boycott written off, were turned down by the Transvaal Provincial Administration.

In the same month residents in Diepkloof and Meadowlands agreed at a meeting to pay R15 a month for site rent and R30 for the consumption of water and electricity.

Electricity cuts were also introduced in most townships in Soweto and in Tembisa in the East Rand—some reported to have lasted for periods ranging from a week to over a month.

The ball is now in the government's court—to decide whether these local governments should be dismantled or whether they should continue existing much against the wishes of the people.

## Angola

### Mandela Arrives in Luanda, Addresses Rally

MB1005161690 Umtata Capital Radio in English  
1400 GMT 10 Aug 90

[Text] Nelson Mandela has been greeted enthusiastically in Angola. He has arrived in the capital, Luanda, at the start of a 12-day, six-nation tour of Africa.

At a rally, the ANC [African National Congress] deputy president has thanked the Angolan Government for its support of the long struggle against white rule in South Africa. Mandela says Angola gave thousands of people asylum and helped with the military training of ANC guerrillas.

Mandela was met on his arrival by a large delegation of senior members of the Angolan Government.

### Thanks Government for Support

MB1005231090 Luanda Domestic Service in Portuguese  
1900 GMT 10 May 90

[Text] ANC [African National Congress] Deputy President Nelson Mandela today thanked the Angolan head of state, government, and people for their support for the South African people's liberation struggle. Mandela was speaking at a rally attended by thousands of Angolan citizens in 1 May Square in Luanda.

He noted that the ANC and the vast majority of South Africans are on the side of our people's struggle. He added that there were very strong ties between the MPLA [Popular Movement for the Liberation of Angola] and the ANC.

The historic leader of the ANC said: The progress of our struggle was due largely to Angola's support. He noted that his movement supports the Angolan Government's efforts aimed at establishing peace and stability in Angola.

For his part, the Angolan head of state said that all peoples should find the most suitable solutions to their problems. He deplored the fact that several South African sectors were still supporting what he described as obsolete instruments—a clear reference to the UNITA [National Union for the Total Independence of Angola] and Renamo [Mozambique National Resistance] rebel groups of Angola and Mozambique, respectively.

This afternoon, Nelson Mandela held a private meeting with Angolan President Jose Eduardo dos Santos during which he took the opportunity to detail the outcome of the recent exploratory talks between the ANC and the South African Government in Cape Town.

Official talks between MPLA-Labor Party and ANC delegations began afterwards. The delegations were headed by President Jose Eduardo dos Santos and Nelson Mandela. The Angolan delegation includes all members of the Political Bureau of the MPLA-Labor

Party Central Committee, while the ANC delegation includes Joe Modise, commander of the movement's armed wing, and Treasurer General Thomas Nkobi.

### UN Verification Chief Discusses Cuban Troops

MB0405233090 Luanda Domestic Service in Portuguese  
1900 GMT 4 May 90

[Text] General Pericles Ferreira Gomes, head of the UN Angola Verification Mission, UNAVEM, told Angolan National Radio today that the Angolan and Cuban Governments have been solemnly fulfilling the 1978 accords signed with the United Nations on the withdrawal of Cuban internationalists from Angola.

[Begin Gomes recording] We can say that everything that was agreed to so far has been carried out in a normal manner. The withdrawal suspension that occurred in January, but was lifted in February, clearly cannot be regarded as nonfulfillment of the accords.

The signatories to the accords kept the United Nations informed. The UN secretary general reported to the Security Council that the third phase would be completed by 25 April and that the fourth phase will be implemented on schedule. We can say that the accords are being fulfilled normally. [end recording]

[Luanda Domestic Service in Portuguese at 1915 on 4 May adds in a similar report: "A total of 33,540 Cuban troops have left our country until today.

"UNITA [National Union for the Total Independence of Angola] has tried on several occasions to prevent the fulfillment of the New York accords, launching treacherous attacks against Cuban internationalists, killing some of them.

"In view of UNITA's irresponsible attitude, the Angolan and Cuban Governments decided to suspend the withdrawal of Cuban troops temporarily. The withdrawal resumed in February.

"Gen. Ferreira Gomes comments on the situation:

"[Begin Gomes recording] UNAVEM usually controls the total number of those troops to be pulled out based on the timetable annexed to the accord. In fact, by 25 April more than 33,000 Cubans had been withdrawn from Angola, thus complying with the timetable.

"According to information provided by the two governments, and in view of the suspension in January, that figure was achieved on 25 April rather than 31 March. [end recording]

"The withdrawal of Cuban internationalists from Angola is being carried out in phases."

"Turning to the present phase, Gen. Gomes said:

"[Begin Gomes recording] Troops removed to the north were scheduled to reach Parallel 15 and then Parallel 13. The final part of our mission can be implemented while

the Cuban troops are stationed north of Parallel 13. The terms of the accord stipulate there is no need for the Cubans to move farther north.

"Cuban personnel have exited through Luanda because the city's airport has been used more often during the withdrawal process. The Cubans may remain north of Parallel 13 until the mission is completed in 1991. [end recording]"

#### **President Replaces Southern Front Commander**

*MB0705195390 Luanda Domestic Service in Portuguese  
1900 GMT 7 May 90*

[Text] Angolan President Comrade Jose Eduardo dos Santos has moved Lieutenant General Antonio dos Santos Franca Ndalú, who was the commander of the Southern Front, to the Cuanza-Bengo Political and Military Front.

In decrees issued today, the Angolan head of state appointed Comrade Lopo Ferreira do Nascimento, MPLA [Popular Movement for the Liberation of Angola]-Labor Party Central Committee member and Huila Province commissar, as Southern Front commander.

In another decree, Comrade Jose Eduardo dos Santos appointed Comrade Agostinho (Nchaca) as Huambo Province's assistant commissar for the social sector.

#### **Swears In New Officials 8 May**

*MB0905184490 Luanda Domestic Service in Portuguese  
2200 GMT 8 May 90*

[Text] The recently appointed government officials were sworn in by Angolan President Comrade Jose Eduardo dos Santos in Futungo de Belas Ward in Luanda today. The ceremony was attended by government officials.

Colonel Antonio Paulo Kassoma, minister of transportation and communications, and Victoriano Ferreira Nicolau, secretary of state for town planning, housing, and water, were sworn in. They replaced Carlos Fernandes and Eduardo Paulo Bonga, who were relieved of their posts for sluggishness and the nonimplementation of legal directives.

The Angolan president also swore in Comrade Agostinho (Nchaca) as Huambo's assistant commissar responsible for the social sector.

Yesterday the head of state and government appointed Lieutenant General Antonio dos Santos Franca Ndalú as commander of the Cuanza-Bengo Political and Military Front, and Comrade Lopo do Nascimento as commander of the Southern Front.

### **Lesotho**

#### **Foreign Ministry Praises South African-ANC Talks**

*MB0905183490 Maseru Domestic Service in English  
1130 GMT 9 May 90*

[Text] The Ministry of Foreign Affairs has announced that the Government of the Kingdom of Lesotho has sent a message of congratulations to the Government of the Republic of South Africa and the leadership of the African Nation Congress [ANC] at the success of the historic talks between the two sides at Groote Schuur in Cape Town on the 2d to the 4th of May this year.

The Government of the Kingdom of Lesotho has expressed its encouragement at agreement reached between the negotiating parties on a common commitment toward the resolution of the existing climate of violence through a peaceful process of negotiation. The announcement said the goodwill and sense of realism that had characterized the talks on both sides deserves encouragement.

It added that it is also a source of great optimism for the success of future joint efforts toward the creation of a new democratic dispensation that will bring about peace and harmony among all population groups in South Africa and stability in the subregion.

The Government of the Kingdom of Lesotho has finally registered its support for the bold initiatives and sincere efforts being made by all the parties concerned toward this end.

### **Madagascar**

#### **President Ratsiraka Explains Ties to S. Africa**

*EA0205160290 Antananarivo Domestic Service  
in Malagasy 1600 GMT 1 May 90*

[Excerpts] Malagasy President Didier Ratsiraka and his wife today gave a helping hand to the peoples of North Manakara and Mandritsara for the construction of the (2170)-km road. In this way, the Vanguard of the Malagasy Revolution [AREMA] secretary general and his wife were marking 1 May, Labor Day. The road is of great importance for many sectors, as it will connect two subprefectures, as well as Mahajanga and Toamasina Provinces.

During his visit, Malagasy President Ratsiraka explained the relations between Madagascar and South Africa, in line with what he had said when he received the Zambian and British ambassadors. [passage omitted]

[Begin Ratsiraka recording] Regarding the question of my meeting with the British and Zambian ambassadors, I said, as [words indistinct] people, and people must be told the realities. What is wrong in saying this? We [words indistinct] South African president. We sent envoys. They sent envoys who met us for discreet talks.

As the talks ended with proper arrangements, their contents can now be revealed to you. (?Others) say that this man [Ratsiraka] is being boastful, that he is proud of himself, as if he were the head of a superpower. How can one say this? I did not say it was due to my personal request that South African President de Klerk released political prisoners, released Nelson Mandela, or legalized political parties in South Africa. I said I was among those who had made such requests.

You may remember that—this is addressed to the whole of Madagascar, and not to you in Mananara alone, as you may not know [words indistinct]—a South African airplane was going to land at Arivonimamo with commandos on board, because we had South African prisoners in our country. At that time, I was visiting North Korea. Those people were in jail at that time, and that was why we bought MiG planes and the helicopter. Senator Kennedy of the United States wrote to me. I do not talk about a superpower, I do not say that Ratsiraka is great because Kennedy wrote to me. I can show the letter which urged me to release these people. I replied: Release Nelson Mandela first.

We are among those who contributed to the release of Nelson Mandela. [applause] The Malagasy Democratic Republic is then among those who contributed to the changes in South Africa, which does not mean that Ratsiraka or Madagascar alone achieved this. We took part in this, and what is wrong in [words indistinct]. It is not shameful to say so. We should even be happy with ourselves because positive results were seen for South Africa.

If the blacks who were fighting against the whites now have relations with him, why should we be more demanding than those concerned? We also entered into relations, as it was agreed that South Africa would like to establish air links with us. South Africa asked for it. Then we told them: If some changes do not happen in your country, this will be difficult for us, as we have been fighting against these things since 1972. Changes occurred, some of our requests were met, and we then agreed to the establishment of air links with South Africa. We also opened trade and economic relations with South Africa, but not diplomatic relations. [passage omitted]

### Mauritius

#### \* Boodhoo Calls For Drug Investigation Committee

90AF0079D Port Louis WEEK-END in French  
15 Apr 90 pp 1, 10

[Text] At a press conference yesterday, Mr. Harish Boodhoo, leader of the PSM [Mauritian Socialist Party], insisted that a second drug investigation committee, presided by a Supreme Court judge, be established. He added that the committee should begin its investigation with the Soo Soobiah affair and hear testimony from witnesses including Raffick Peerbaccus, the star witness

before the Rault commission, and from Siddick Omar Saib, known as "La Tete" ["The Brain"] who was freed from the Juliette Dodu Street prison in Reunion.

Mr. Boodhoo himself is ready to make a deposition to the investigation committee, the establishment of which his party is demanding.

Basing his remarks on his sources of information, Mr. Boodhoo stated that steps have been undertaken to make "La Tete" into another Peerbaccus who would personally muddy his reputation. A series of other topics were discussed at what was a long, drawn-out press conference: the disappearance of large sums of money belonging to the police force, the workers' celebration on May Day, the PSM's programs in the field, and the means used by Sir Anerood Jugnauth's MSM [Mauritius Socialist Movement] to draw a crowd to his rally in Vacoas.

By 30 April, the eve of May Day, the PSM will have held 132 public rallies throughout the country and organized some 100 private meetings. But there are also plans for a delegation of professionals, led by Mr. Boodhoo, to spend three days in Rodrigues (from 4 to 6 May) to learn what is happening there.

On the subject of May Day, Mr. Boodhoo challenged the MSM, despite the means available to it, to match at Vacoas the number of followers he will attract at any one of the regional meetings he will hold on May 1. He condemned the tactics being used by the MSM to draw large numbers of people to its rally. "People will be forced to board buses destined for Vacoas," he said.

The PSM leader commented at length on the disappearance of 13 million rupees from the treasury of the Police Welfare Association. He demanded that an investigation committee be formed to look into the matter and insisted that the Police Charity Bazaar and the Sport Entertainment Fund be registered.

Other speakers at the press conference included Mr. Georgy Candahoo who talked about the PSM's "spectacular comeback" and the "weakness of the government and the current opposition." Mr. Roger Wong, the party's secretary general, stated that the dispute between the Catholic Church and the government over GN 114 [expansion unknown] had showed the weakness of the regime "which runs the country by reaction."

#### \* Freed Drug Trafficker Seeks Refuge in RSA

90AF0079C Port Louis WEEK-END in French  
15 Apr 90 p 4

[Text] Convicted by a Reunion court for his active role in a drug importing ring on that island, the Mauritian Siddick Omar Saib, well-known by the nickname of "La Tete" ["The Brain"], was released yesterday from prison after completing his sentence.



According to our information, Omar Saib will not return to Mauritius where police are waiting for him to hear his account of his escape from a police cell in Trou-Fanfaron and to prosecute him for drug trafficking.

The top man at the Antidrug and Anticontraband Brigade is reported to have met with failure in Reunion where he arrived this week to take Omar Saib into custody on his release from the prison on Juliette Dodu Street. In Plaisance, yesterday, the ADSU [Antidrug Smuggling Unit] also waited in vain for "The Brain" to arrive on the Air France flight that day in view of the fact that he has been barred from residing in Reunion.

According to a Reunion law enforcement official whom we were able to contact yesterday afternoon, "The Brain" told Reunion authorities that his security in Mauritius was in jeopardy because he had denounced many people during his trial.

The Reunion authorities are said to be keeping Siddick Omar Saib under close police surveillance until he is able to find a country that will accept him (according to RFO [French Overseas Broadcasting Company]).

"The Brain" is said to be seeking refuge in South Africa.

#### \* Unions Criticize Government, Support CEB

90AF0079B Port Louis WEEK-END in French  
15 Apr 90 p 4

[Article by Henri Marimootoo]

[Text] "At a time when democracy is making gains around the world, we are unable to understand why the rights of workers in your country are being challenged."

"We believe that labor-management consultation and negotiation will prevail."

Signed

Jean-Paul Escaffier, Federal Secretary of the International Union of Energy Workers Unions

This is the tenor of the telegrams and letters that have been arriving for the past week on the desks of the Mauritian prime minister, Sir Anerood Jugnauth, and the director general of the CEB [Central Electricity Board], Mr. Jules Labat.

Those who still find meaning in the word "solidarity" will have already understood what is happening: A vast movement of solidarity is developing around the world condemning the repressive measures taken against 14 executive members of the CEB Staff Association and another union member, Mr. Matadeen, following a failed strike in the sector. "Give them their jobs back" is the call.

The government and the CEB management have remained impervious to all appeals made to date. And yet, even those who led the campaign against the CEB strikers have now joined in the wave of sympathy going

out to the laid-off employees who have families to support. The Labor Party, through Sir Satcam Boolell, also asked this week that the strikers be allowed to return to their jobs.

After a long period of uncertainty as to their actual fate, the 15 employees learned last Wednesday that they had been dismissed. However, three of their cases are being reconsidered, according to the CEB.

The following are some of the international unions that have sent telegrams to the Mauritian prime minister: The joint commission of unions on Reunion Island (made up of the CGTR [General Confederation of Labor of Reunion], the CFDT [French Democratic Confederation of Labor] and the French Confederation of Christian Workers), and the National Federation of the Electrical, Nuclear and Gas Energy Employees Union which is present in 37 countries. Sir Anerood Jugnauth also received a telegram from GENOP [expansion unknown], a Greek federation that boasts 37,000 members.

At the CEB, manual workers and staff have started making donations to make up for the laid-off employees' lost pay at the end of the month.

### Mozambique

#### Renamo Reports Attack on Headquarters

MB1105055690 Johannesburg Domestic Service  
in English 0500 GMT 11 May 90

[Text] The Renamo [Mozambique National Resistance] movement in Mozambique has said that at least 3,600 Mozambican Government and Zimbabwean troops have attacked its headquarters. The movement said in Lisbon that the offensive launched last Monday [7 May] was the biggest so far against Renamo.

The movement said that fighting was continuing in eight districts near the Renamo headquarters and that about 600 people had been killed in bombing raids.

Both sides, Renamo and the government, have promised to hold peace talks, but Renamo said earlier this week that it was withdrawing recognition of one of the mediators, President Robert Mugabe of Zimbabwe, because his troops were involved in the fighting.

#### Foreign Minister Mocumbi Discusses Peace Process

MB1005125390 Maputo in English to Southern Africa  
1115 GMT 10 May 90

[Interview with Foreign Minister Pascoal Mocumbi by unidentified Radio Mozambique correspondents in Maputo on 9 May—recorded]

[Text] [Mocumbi] I think it is irrelevant what the so-called representative of Renamo [Mozambique National Resistance] in Lisbon is saying because since we started to have contacts, indirect contacts in Nairobi, they have

met with delegations from Zimbabwe, representatives from Zimbabwe and from Kenya.

[Correspondent] So, don't you think this may complicate the process now that they have also rejected Malawi? Now they are mentioning the problem of mediation.

[Mocumbi] The important thing is this: We are working in order to establish a venue and to start direct talks with Renamo.

[Correspondent] How far are you from reaching an agreement on a venue?

[Mocumbi] This will come at any moment.

[Correspondent] Any comment to make about the meeting last week with [Zimbabwean Foreign Minister] Dr. Shamuyarira in Beira?

[Mocumbi] It was a very good meeting, a meeting in which we have reviewed our bilateral relations. As you know, they are very good ones, and we have, of course, exchanged views on the process that we are engaged upon now in order to expedite the conditions in order to have direct talks with Renamo.

[Correspondent] You are leaving tonight going to Europe. You will be meeting several ministers there. Can you just tell us exactly what you will be doing?

[Mocumbi] We are having a meeting with the ministers of foreign affairs of the Nordic countries. This will be the third meeting between Frontline ministers and Nordic countries. We are going to review our relations and, of course, exchange views about the evolution of the situation in southern Africa and in Europe.

[Correspondent] (?No) meeting is happening now in the Frontline States. Are you taking with you, at least from Mozambique—taking into consideration efforts for peace—a message of hope to Europe?

[Mocumbi] During this phase, I think that naturally we are going to talk about what we are doing in southern Africa to bring peace and stability to our region.

#### UN Officials Express Concern Over Aid Response

MB0905131690 Maputo in English to Southern Africa  
1100 GMT 9 May 90

[Text] United Nations officials are concerned about the shortfall in the response to Mozambique's appeal for emergency aid this year. A UN spokesman in New York said Mozambique had requested over \$136 million worth of aid to assist people who are in an emergency situation due to drought and atrocities by the MNR [Mozambique National Resistance]. The amount pledged by the donors is falling short by \$30 million. Aid officials have expressed alarm at the poor response of the appeal, saying the situation in Mozambique has become critical.

This year's appeal is the fourth that Mozambique has made to the international community for emergency aid.

#### 'Widespread Starvation' Possible

MB0905223490 Maputo in English to Southern Africa  
1800 GMT 9 May 90

[Text] A top UN official in Mozambique, (Peter Son Kin), has warned that there will be widespread starvation in the country unless there is a better response from donors to this year's emergency aid appeal. Mr. (Son Kin), UN special coordinator for emergency relief operations in Mozambique, was speaking in Maputo after a UN announcement that there is a big gap between the amount of aid requested and the amount pledged.

When the Mozambican Government and the United Nations announced the appeal in New York last month, they asked for \$136 million worth of emergency aid. Preliminary reports indicated that the amount actually pledged is \$30 million less than this.

Mr. (Son Kin) said the amount requested was the absolute minimum required and that every kilogram of food in the appeal was essential. In his words: If we don't get what we are asking for, we know that we are going to see widespread starvation.

Mr. (Son Kin) also stressed that aid for logistical resources was vitally important. He said \$15 million in aid was needed for an airlift to reach more than 200,000 people in isolated districts. If this assistance was not provided, he said, there would be large-scale famine and death later this year.

#### Namibia

#### President Nujoma Addresses May Day Rally

MB0105152590 Johannesburg SAPA in English  
1425 GMT 1 May 90

[Text] Windhoek, May 1, SAPA—The Namibian Government regards the country's "intolerably high" unemployment as its number one priority. President Sam Nujoma told a May Day meeting in Windhoek on Tuesday.

Addressing the first May Day gathering in an independent Namibia, Mr. Nujoma said the government was committed to removing all discriminatory practices encountered in the labour field, and would strive to provide equal employment opportunities for all Namibians. This would be done through training, retraining, recruitment and the promotion of human resources. New employment opportunities through small scale industry, rural crafts and small-hold farming would also be encouraged.

Mr. Nujoma said every adult Namibian had the right to gainful employment and that the public, parastatals and

the private sector must help to maximise job opportunities. Job opportunities, he said, would be reserved for inhabitants of the country and the employment of expatriates would only be permitted in the absence of suitable qualified local workers.

A national labour code was to be tabled in the National Assembly aimed at providing a statutory framework within which sound labour relations could function smoothly "to promote the development, protection and utilization of all Namibian human resources to an optimum," Mr. Nujoma said.

An independent labour court to adjudicate and determine labour-related transgressions and disputes would also be set up in the near future.

"Official intervention in labour-related matters will be kept to a minimum," Mr. Nujoma said, allowing employers and employees to deal with their own affairs.

Collective bargaining was an "essential process" in sound labour relations, Mr. Nujoma told the crowd of a few thousand.

He said steps to secure adequate social security measures, such as workers compensation, a national pension scheme and paid maternity leave, would be initiated "at the earliest opportunity." Basic statutory directives regarding conditions of employment and minimum wages also needed to be maintained.

Namibia, he said, would, with regard to practical considerations, proceed to implement International Labour Organisation conventions and recommendations, as well as other international instruments.

The president paid tribute to Namibian workers for their part in the liberation struggle resulting in the country's independence in March this year. Many were arrested, tortured and killed, but they had remained determined, Mr. Nujoma said, thanking them "for a job well done."

Earlier, hundreds of workers marched from Katutura into central Windhoek, from where they were bused to Independence Stadium (formerly Windhoek Athletics Stadium) for the May Day meeting.

#### **Gurirab To Head Delegation to Frontline Talks**

*MB1105083590 Johannesburg SAPA in English  
0759 GMT 11 May 90*

[Text] Windhoek, May 11, SAPA—Namibia's Foreign Affairs Minister Theo-Ben Gurirab is to lead the country's delegation to the meeting between the Frontline States and Nordic countries in Oslo, Norway this weekend NAMBC [Namibian Broadcasting Corporation] radio news reports.

The deputy minister of foreign affairs, Mrs. Netumbo Nditwah, said the meeting would seek the views of the ANC [African National Congress] on developments in

South Africa and advise the organisation on democracy and ways of abolishing apartheid.

Mrs. Nditwah said the Frontline states would continue to assess the South African situation and advise the Organisation of African Unity on a "liberation" policy for the country.

She said there were no objections to the ANC conducting its political and diplomatic struggle in Frontline States, but would continue to fight its struggle inside South Africa, like all liberation movements in the region.

On his return from Oslo, Mr. Gurirab is due to attend a meeting of commonwealth committee of foreign ministers in Abuja, Nigeria, to discuss a peaceful negotiated settlement in South Africa.

#### **Government To Establish Development Brigade**

*MB0905054890 Windhoek Domestic Service  
in Afrikaans 1900 GMT 8 May 90*

[Text] The minister of information and broadcasting [Hidipo Hamutenya] announced that a development brigade consisting of former People's Liberation Army of Namibia, [South-West African] territory force, and Koevoet [former police counterinsurgency unit] members, as well as unemployed persons, will be established.

Hamutenya said the Defense Ministry was instructed to register former soldiers for training and service immediately. Soldiers and unemployed persons will be recruited at former South African Defense Force military bases.

Hamutenya added that candidates would be placed at various industries and self-help development schemes after completing their training.

#### **Prime Minister on Job Training for Ex-Soldiers**

*MB1005000590 Johannesburg SAPA in English  
0933 GMT 9 May 90*

[Text] Windhoek May 9 SAPA—The Namibian Government was confident it would gain support for the establishment of a quasi-military force aimed at training former combat elements for jobs in civilian life, Prime Minister Hage Geingob said in Windhoek on Wednesday [9 May]. The project, also open to unskilled civilians, was unique in Namibia.

"Our basic problem is unemployment... and some of them (the unemployed) were in the defence forces," Mr Geingob told SAPA in an interview. "The idea is to get them off the streets because we are seeing the crime rate is going up which is worrying".

To occupy the jobless gainfully, the government did not want to give them jobs without training them first. "The idea therefore is to employ them and to provide them with skills to make them useful citizens of tomorrow."

Namibia was not going to war and could not afford to maintain a large defence force, so that the development force was a long-term project to retrain former foes for civic duty.

Mr Geingob did not identify which former fighting elements would be accommodated in the development force, but is understood that former PLAN [People Liberation Army of Namibia] guerrillas, SWA [South-West Africa] Territory Force soldiers and Koevoet [crowbar—police counterinsurgency unit] members would be included in the development force, particularly those who do not qualify for recruitment in Namibia's national army.

He emphasised that even the Namibian Army would devote much of its time to civic projects.

#### Justice Official Details Future Legal Changes

MB0405083290 Windhoek Domestic Service  
in Afrikaans 0600 GMT 4 May 90

[Text] Deputy Justice Minister Advocate Vekuii Rukoro says that although changes in Namibia's legal system are essential, they will not be introduced immediately.

Advocate Rukoro told the Namibian Broadcasting Corporation that the changes which are necessary include replacing the Roman-Dutch legal system with a system which is in accordance with the Namibian Constitution, as well as with the general rules for public international law. The system will include a single bar council for attorneys and advocates, a department for state-provided legal aid, and the incorporation of returned Namibian lawyers in the system.

According to Advocate Rukoro, international agreements which were entered into before Namibia's independence will be reviewed by the National Assembly in the course of time. Decisions on Namibia's adherence to such agreements will be made in the national interest.

### Zimbabwe

#### Mugabe Stresses Need for One-Party State

MB0105114390 Johannesburg SAPA in English  
1117 GMT 1 May 90

[Text] Harare May 1 SAPA—President Robert Mugabe on Tuesday defended his ideal of, saying pluralism would cause unnecessary rivalries at the expense of national development. He told a Workers Day rally at Rufaro Stadium: "My philosophy is, let us differ in one house, in one family."

Zimbabwe had demonstrated it could operate within a multi-party state system, he was quoted as saying by ZIANA news agency.

Mr Mugabe said the unity between PF-ZAPU [Patriotic Front-Zimbabwe African Peoples Union] had ended the dissident insurgency in Matabeleland and was proof of the desirability of oneness.

He said elsewhere in Africa many countries were opting for plural societies but did so under threats from their donors or former colonial masters. "There is a financial threat and not a fundamental change of heart," he said.

He said Zimbabweans had nothing to fear under a one-party state led by ZANU (PF), as the record of the ruling party since independence demonstrated its commitment to democracy and protection of rights of the citizens of this country. He underscored his policy of reconciliation, which he announced at independence, and invited his critics to disprove what he said.

He thanked the workers for voting ZANU (PF) into power for the third time, adding those who had done so had "a right to protest against the party".

#### Supports Workers' Rights

MB0105114790 Johannesburg SAPA in English  
1109 GMT 1 May 90

[Text] Harare May 1 SAPA—The Zimbabwe Government upheld the principle of the right of workers to strike, but warned nobody engaging in strike action should jeopardise the lives of other people, President Robert Mugabe said in Harare on Tuesday.

He told a Workers Day rally at Rufaro Stadium increased wages should be accompanied by higher performance and responsibility by workers, ZIANA reports.

"The tendency, which we see nowadays, to participate in strikes for higher wages or other forms of improvement in conditions of service, without any apparent consideration of the adverse consequences of such actions on other people or the nation as a whole, should surely be put to an end.

"The safety, health, welfare and indeed the lives of our people should surely count for more than the extra dollars to ones pay packet. Any attempt to intimidate or stampede government in the... direction of such action is ill-conceived and counter-productive," he said.

He was speaking the day after an 18-day strike by nurses came to an end. The nationwide nurses strike seriously affected the provision of health services at hospitals and clinics.

The president said government was committed to free collective bargaining by employers and their workers.

He said government had completed an economic analysis indicating what wage and salary levels the economy could carry.

The president said the minister of labour, manpower planning and social welfare would soon announce the



wage policy, in line with which wage negotiations should take place this year. "For now it is certainly important that we lay down parameters for such negotiations in the interest of both the worker and the company. Now the sky is the limit. Go and negotiate but we set the minimum," he said.

The president said government would set the minimum wage increase percentage to guide workers in their negotiations, as some of the employees were not capable of engaging in collective bargaining. He said: "Some of them are still semi-slaves in a liberated country."

Mr Mugabe urged the ZCTU [Zimbabwe Congress of Trade Unions] to organise farm and domestic workers, who, he said, still earned starvation wages.

### Stresses Need for Economic Growth

*MB0105153690 Johannesburg SAPA in English  
1405 GMT 1 May 90*

[Text] Harare May 1 SAPA—The Zimbabwean Government will take urgent policy and administrative measures to stimulate and accelerate economic growth to create employment, President Robert Mugabe said on Tuesday.

Addressing a May Day rally at Rufaro Stadium in Harare, Mr Mugabe said an average 10,000 school leavers joined the job market every year, but the formal sector was capable of generating only 7,000 jobs annually.

"Hence, drastic action needs to be taken as a matter of urgency on the employment front. The attention of government for the next decade is thus to redirect our investment into material sectors to provide a sustainable economic base conducive to economic expansion and consequent employment growth in all sectors of our economy," ZIANA news agency quoted him as saying.

He said the recently established investment centre had now approved investment worth ZD400 million and an estimated 5,000 jobs would be created.

"My government is aware of the critical problem of unemployment in the country and is especially concerned by its high incidence among the youth, particularly school leavers, among the disabled, the women and the unskilled," he said.

He underscored the need for safety and health at workplaces, adding that educational seminars had been held throughout the country. He said the recently enacted national social security authority act would ensure every worker was covered. He hoped the national pensions and short-term benefits would soon be operational. "The scheme will assist in closing imbalances we inherited in our society for the benefit of our workforce," he said.

Mr Mugabe said the shortage of skilled manpower forced government to rely on expatriate labour in certain, but this would be phased out as locals gained the required skills and experience. [sentence as received]

### Low Attendance at Celebrations

*MB0105153390 Johannesburg SAPA in English  
1345 GMT 1 May 90*

[Text] Harare May 1 SAPA—This year's May Day celebrations in Harare on Tuesday lacked the usual pomp and colour normally associated with the holiday, as there were no industrial and commercial wares on display as in the past, the ZIANA news agency reports.

The Zimbabwe Congress of Trade Unions (ZCTU) ordered workers not to hold the usual procession round Rufaro Stadium in which they would be showing their products, because there was a conflict between ZCTU and government officials.

ZCTU's secretary-general, Mr Morgan Tsvangirai, said the labour minister, Mr John Nkomo, ordered his officers to pull down a ZCTU banner with the words: "No one party state in Zimbabwe", and in retaliation, ZCTU ordered the workers not to display their wares.

May Day every year is marked by colourful displays by companies displaying their products and workers showing what they do at their various workplaces.

This used to be done in a long procession round the Rufaro Stadium, where the workers day celebrations are normally held. A ZCTU spokesman said another problem was the government was getting too involved in the May Day activities.

"The government should be an observer, not the main participant as is the case here. This is a day for workers to express their feelings to society, but it seems it is the other way round—the government expressing its feelings to the people. "This is not how it is done in other countries. The state should come here as observers not the main actors," he said.

Compared with previous years, this year's celebrations were poorly attended.

### Mugabe Defends Military Presence in Mozambique

*MB0205174890 Johannesburg International Service  
in English 1500 GMT 2 May 90*

[Text] President Robert Mugabe of Zimbabwe says Zimbabwe's military presence in Mozambique is based on a firm commitment to national interests and a moral duty to assist a friendly neighbor. Opening parliament in Harare, he said Zimbabwe's presence in Mozambique was at the invitation of the legitimate government of that country.

President Mugabe said during this session of parliament there would be amendments to the constitution to introduce a single command for the defense force. Among other constitutional changes which would come before parliament were the creation of a second vice presidential post and the removal of provisions relating to land.

**Mugabe Gives Assurances to Potential Investors**

*MB1005191790 Mbabane Television Service in English  
1630 GMT 10 May 90*

[Text] President Robert Mugabe has assured potential investors that any investment will be guaranteed and rewarded through profits and dividends.

President Robert Mugabe told a group of businessmen in Geneva that Zimbabwe had launched a campaign to attract investors. He said an investment center had been established in Harare to speed up the investment process. He said investment guidelines had been published and meetings aimed at reaching investors had been held in London, Paris, and Tokyo.

## Burkina Faso

### Compaore Addresses Constitutional Commission

AB0705172090 Ouagadougou Domestic Service  
in French 1900 GMT 3 May 90

[Excerpt] Members of the Constitutional Commission have been sworn in. The ceremony was held at the People's House this afternoon. Once again, the political leadership has through this act demonstrated perseverance in its political approach.

On (216) December 1989, the head of state suggested the writing and adoption of a constitution. The suggestion was discussed, examined, and adopted at the First Congress of the Popular Front [FP] in March. The deadline for writing this constitution was 17 April, and the front's Executive Committee adopted a decree on the scope of the Constitutional Commission's work. By choosing to widen the democratic base of our society, an unquestionable asset in achieving a real people's democracy, the First Congress of the PF decided to provide the country with a constitution. As stressed by the head of state, this is an act which will help ensure full democratization of society to present and future generations.

The members of the Constitutional Commission, who were officially sworn in this afternoon, will then work to complete the writing of this basic state document, an efficient tool that will help continue current revolutionary changes. As stressed by Captain Blaise Compaore, it is a recourse, a valuable landmark in the strengthening of people's power, political stability, and harmonious operation of our institutions. By officially swearing in members of the Constitutional Commission, Capt. Compaore first reviewed our country's historical background and stressed the failures of the constitutional regimes of the First, Second, and Third Republics and those of the military regimes which followed them. The lesson to be drawn, he said, is that the constitution is not a panacea for the society it intends to build and which it reflects. Its conscious acceptance by the masses is essential to make it a supreme reference for people and institutions. What is the importance of the mission entrusted to the 104 members of this commission? Here is what Capt. Compaore said:

[Begin Compaore recording] The importance of your mission lies in the fact that the constitution must reflect the legitimate aspirations of our people for democracy and revolution. Owing to its broad-based democratic foundation, this commission offers the best chances to our country's political, social, cultural, and religious institutions to get involved in the writing of the constitution, the state's fundamental act.

We are convinced that the Constitutional Commission will be able to reflect our people's active unity in spite of the diversity of our ideological leanings for the defense of the people's democratic revolution. To each member of the Constitutional Commission, I sincerely recommend

faith in social justice, a sense of dignity and responsibility, those noble Burkinabe values which, in these circumstances, will be a valuable support to help you carry out your noble mission with [word indistinct] and openness. Through the democratic reforms made since it came to power, the PF has been able to give the Burkinabe people reason for hope in the execution of the tasks aimed at changing its life. It is now up to you to write the draft constitution in line with these hopes and to earn the trust that the militant Burkinabe people have in you. [end recording]

Although those comrades are entrusted with writing up the constitution, the draft must be accepted by the country's leadership and then subjected to a referendum following its examination by the Front's coordinating committee and congress.

## The Gambia

### Liberian President To Arrive on 'Working Visit'

AB1105093090 Dakar PANA in English 0825 GMT  
11 May 90

[Text] Dakar, 11 May (PANA)—The Liberian leader, Samuel Doe, is due in Banjul Friday for a working visit, a report over Radio Gambia monitored in Dakar said Friday morning. The radio said there was no indication of the duration or purpose of Doe's visit to Banjul but that it followed two quick visits he made recently to Lome and Lagos.

The radio also reported that Doe will be met on arrival by the Gambia's vice-president, Bakary Darbo. The Gambian head of state, Sir Dawda Jawara, left for Jordan earlier in the week for an official visit.

Gambia is to host the next summit of the Economic Community of West African States from 28 to 30 May. Since 22 December 1989, President Doe's government has been under pressure from rebel forces led by the former director of the Liberian General Services Agency, Charles Taylor.

## Ghana

### Rawlings Addresses Rally at May Day Celebration

AB0205131490 Accra Domestic Service in English  
1300 GMT 1 May 90

[Excerpts] Organized labor throughout the world is today celebrating the 100th anniversary of May Day, a day set aside for workers to take stock of their activities and plan action for a better tomorrow. In Ghana, the national celebrations took place in Sekondi. Addressing the rally, the chairman of the Provisional National Defense Council [PNDC], Flight Lieutenant Rawlings, assured workers that the government will never turn its back on their interests. He said the government has tried to keep pace with the interests of workers despite the

harsh economic realities prevailing on the continent. The leader of the revolution explained that without the economic reform and its attendant inputs from external resources, the Ghanaian economy would have gone downhill. He explained that despite the success so far achieved, the country has not done enough. Workers should, therefore, not be complacent, but continue with their sacrifices and increased productivity. This is because it is only by so doing that they can launch an assault on poverty and increase opportunities for employment. Chairman Rawlings paid tribute to the pioneers of the trade union movement, adding that the history of organized labor cannot be complete without these people. Flight Lt. Rawlings spoke about the problems of Africa and Third World countries and what the PNDC is doing to bring Ghana out of the crisis:

[Begin Rawlings recording] We in Africa and the Third World face a deep crisis. Poverty is increasing in many of our countries, and the majority of our people have no acceptable basic health facilities. In many African countries workers have not received wages for months. Despite our difficulties here in Ghana—some of the reasons for that were enumerated by the OATUU [Organization of African Trade Union Unity] chairman—we have, however, tried to keep pace with workers, difficult though, by increasing wages at least to keep pace with inflation. And this has been our government's policy and we try to maintain this African saying: (?Do) everything possible to make it possible. Can we count on you on the other hand to play your part so that we can register many more years of sustained economic growth and have the resources to deal with the needs of the majority of our population?

Our economic reform has not been without sacrifices, but let us not deceive ourselves: Without this reform, without these sacrifices, we would have continued downhill to national disaster. I want you to always remember that. Without this reform and without the input from external resources, [words indistinct] the picture of what Ghana could have been without the inflow that has come to this country over the last two years, when we initiated this reform. Our comrade brothers in the Socialist-Marxist countries are today going through reforms because of their own recognition of some of the weaknesses of the old policies, the old ways of doing things. [end recording]

Flight Lt. Rawlings also touched on foreign aid and investment in the country's economic recovery process. He assured workers that the government will never turn its back on the welfare of Ghanaian workers:

[Begin Rawlings recording] We will only make our country a better place to live in through our own sweat, our own sweat, my brothers and sisters. In the course of our economic recovery, we have benefitted from assistance from international financial institutions, from other countries, and from the help of nongovernmental organizations, and the contributions of foreign investors, etc. But ultimately, we must translate all the help into the

concrete work that would provide beneficial results for our workers in this country. Foreign investment and foreign aid depend for their effects on the hard work (?and sweat) of Ghanaians. I would therefore like on this occasion to stress to you that this government will never—and I say it again, never—turn its back on the interests of the workers of this country. [applause] [No aid, no investment that does not advance the welfare of our working people will be acceptable to us. Let me reassure you. [applause] [passage omitted] [end recording]

### Cultural Cooperation Accord Signed With Libya

AB0305215790 Accra Domestic Service in English  
1300 GMT 2 May 90

[Text] An executive program of cultural cooperation between Ghana and the Socialist People's Libyan Arab Jamahiriyyah was signed in Accra this morning. The agreement, which covers the period 1990-92, is a follow-up of the main cultural and technical agreement signed in Tripoli in 1982. Augustina Apik has the report:

[Begin recording] [Apik] The executive program, which covers education, culture, science, information, and youth and sports, was signed by Ghana's acting chairman of the National Commission on Culture, Mr. Walter Blege, and the Libyan ambassador to Ghana, Brother ('Abdallah Jibran).

In a speech, Mr. Blege said today's ceremony is a cementation of the already cordial relations between Ghana and Libya. He noted that despite the absence of a formal executive program, there has been fruitful cooperation in the cultural field since 31 December 1982. He said this cooperation is demonstrated in the participation of the two countries in each other's national day celebrations. He hoped that after the signing ceremony, both sides would work hard enough to get the program implemented. Mr. Blege elaborated on what the program entails:

[Blege] In the field of education, the two countries are to do their best to establish direct links between universities and institutions of higher learning, based on scientific cooperation through the exchange of visits, and so on. They are also to exchange specialists in the field of education to study the curriculum and system of education existing in each country and also to exchange documents and information on educational programs.

In the field of culture, the two countries are to participate in the national day celebrations of both countries and also encourage the exchange of artistic and musical groups and participate in festivals and fairs of arts and culture organized in both countries.

[Apik] The Libyan ambassador, Brother ('Abdallah Jibran), stressed the importance of the cultural cooperation between the two countries. He said it is necessary for countries which are fighting for the emancipation of their people to cooperate. Brother (Jibran) said the agreement extends to the field of information because



there is the need to strengthen their media to enable them to counteract the misinformation being disseminated by the foreign media about their revolution. [end recording]

## Liberia

### Former Hostage Comments on Rebel Forces' Moves

AB1005151590 *Paris AFP in English 1510 GMT 10 May 90*

[Text] Abidjan, May 10 (AFP)—Rebels fighting to oust Liberia's President Samuel Doe are firmly in control of the country's northeastern Nimba County and could capture the capital Monrovia within weeks, a West German journalist held by the rebels said Thursday.

"I don't think (President) Doe will make it for more than three or four weeks," Werner Kiwitt told AGENCE FRANCE-PRESSE here. He was captured May 1 and released along with three other Western expatriates late Monday.

"The rebels are well-motivated and well-equipped," Mr. Kiwitt said. He estimated that the insurgents, who launched their bid to topple Mr. Doe's regime with an attack into Nimba County on December 24, could now number 4,000 to 5,000. He said there were only a few Liberian troops hiding in the region's towns of Sanniquellie, Ganta and Yekepa. Many of the government soldiers had fled to Guinea, he said.

Mr. Kiwitt said he was freed Monday in Ivory Coast along with Ludovic Pichrist, a Belgian working for the French humanitarian group Medecins Sans Frontieres (Doctors Without Borders), David Kelley of the U.S. Peace Corps and George Robson, a British engineer working at the Yekepa iron ore mine. Mr. Kiwitt, Mr. Pichrist and Mr. Kelley arrived here late Wednesday, while Mr. Robson stayed in Man, some 600 kilometers (370 miles) north of Abidjan.

The West German journalist said he and Mr. Pichrist and Mr. Kelley were captured May 1 by the "village militia" when they crossed into Liberia from Guinea at the border town of Gampa. The 32-year-old freelance writer from Mannheim, West Germany said he was accompanying the others to inspect a well on the other side of the border, as the village was split in two by the international border.

He said many Liberians who fled to Guinea to escape the fighting go back over the border regularly to find rice from their farms or water from the village's only well.

Rebels, who were under strict orders to arrest anyone who crosses into Guinea, took the three men on a seven-hour trek by foot through the bush to a rebel camp at Bosono where they met regional rebel commanders.

Mr. Kiwitt said some 700 women and children were being trained at the base camp for the "third battalion."

The rebels, who are led by fugitive former senior civil servant Charles Taylor, were organized into six battalions, two of which were engaged in fighting at one time, he said. However he did not know how many men were in a battalion.

Mr. Kiwitt said the three spent one night at Bosono. There they were joined by many Liberians who had returned to Nimba County after fleeing the fighting and going to Guinea. These people said they had returned for fear they would be arrested by Guinean security forces and turned over to soldiers loyal to Mr. Doe.

The next day they went by car [words indistinct] rebel headquarters at Gboaplay, which is just some 200 meters (yards) from the Ivory Coast border. Along the way, he said, he saw many villages which were completely destroyed by soldiers who had burned huts, particularly rice kitchens in order to wipe out potential food stocks for the rebels.

Mr. Kiwitt, who was formerly an aid worker in Liberia, said that at least 20 well-organized guards stopped all passing vehicles at "National Patriotic Front of Liberia" checkpoints at each rebel-held village. Most of the people were armed, carried hunting rifles, shotguns, AK-47 assault rifles and hand grenades, he said. Many women and children were also carrying arms.

They met up with Mr. Robson at the headquarters, where they were put up in a "very nice private home" until Sunday when they met the rebel leader Charles Taylor, who consented to their release the following day. Mr. Taylor told them they were being held because of rumors that Mr. Doe had hired foreign mercenaries to kill him.

Mr. Kiwitt said they had also seen 12 Lebanese and Indians at the main camp when they arrived. He added that two Americans working at the Liberian Agricultural Corporation near the key port of Buchanan were allowed to return to work. Mr. Taylor, he said, encouraged expatriates to continue their business activities in the country. He said people were still going hungry despite international relief efforts to feed and care for more than 100,000 refugees in Guinea. Mr. Kiwitt said the situation has been complicated by Guinea officials, who closed down a post, at Diecke where officials were supplying food, medical aid, wells and latrines for some 30,000 to 40,000 Liberian refugees across the border from Ganta.

### Rebel Leader Reportedly in Abidjan Hospital

AB1005195290 *London BBC World Service in English 1709 GMT 10 May 90*

[From the "Focus on Africa" program]

[Text] At his press conference on the Liberian civil war yesterday, President Samuel Doe dropped something of

a bombshell. While extending by two weeks an amnesty offered to the rebels, he suddenly came out with the claim that the rebel leader, Charles Taylor, had been seriously wounded in some kind of shooting incident. On the line to Monrovia, Robin White asked Acting Information Minister Moses Washington what their information was about the wounding of Taylor:

[Begin recording] [Washington] Well, the information we have is that in the first place, there has been a mutiny within the ranks of the Charles Taylor group, and he has had a feud with some of his closest aides in the person of Moses Duopu, a former minister of labor in the PRC [People's Redemption Council] government, and (Samuel Dokey), a former deputy minister within the same PRC government, and it was because of this scuffle that Charles Taylor was shot and taken to a town called Danane in the Ivory Coast and he was later transferred to a hospital in Abidjan.

[White] So, you are saying he was shot by his own men?

[Washington] Yes, that is the information that was given to government, and that is the information the president passed on to us. So, the president then said allegedly because the government of Liberia has not been able to confirm this report.

[White] So, you are not sure of the story?

[Washington] No, we are not, but we were just saying it in answer to a question that was posed to the president.

[White] So, you might be putting out false information to do what, to confuse the rebels?

[Washington] No, not all. We are just saying that this is what has been told us. The government would not put out any false information to confuse the rebels. The rebels are already confused. From all indications, they are in disarray and they are scattered because of the pressure of the government forces have now put on them on all fronts.

[White] Yesterday, on this program, a mining engineer, who had been held captive by the rebels, claimed that the rebels had told him that they were within 10 miles of Roberts Field International Airport. Now, is that true?

[Washington, laughing] That was a very interesting interview yesterday. It made the government just laugh because the rebels are not even in Buchanan. From Buchanan to Monrovia is 88 miles, and they are not in Buchanan. So, the whole thing is not true. In fact, what we did today is that we have sent a television crew to Owensgrove to prove to the outside world that the information that was given to the British engineer by the rebels was false and misleading, and it was just intended to scare off international airlines from coming into Liberia, but the airport is quite safe. There is no threat whatsoever from rebel attack in the area.

[White] Has your television crew come back?

[Washington] No, not yet. They just left about two hours ago, they should be back late this evening.

[White] You are sure they are safe?

[Washington] Very surely, they are safe. They went unescorted and they will come back safe and sound, as we sent a television crew to Buchanan and beyond and they came back without any molestation whatsoever.  
[end recording]

### **Rights Group Urges Cooperation in 'Rebel Crisis'**

*AB0605202090 Monrovia Radio ELWA in English  
1710 GMT 6 May 90*

[Text] The International Foundation of the Federal Unions of Human Rights has urged civic authorities in Liberia to work closer together with the Nation Repatriation Commission and President Doe to solve the rebel crisis and rehabilitate Liberians living at home and abroad. The organization is a non-profitable body which caters to the needs of the less fortunate in society.

The founder and president, Mr. Franz Ganteh, has pledged his organization's willingness to collaborate with other disaster relief agencies in the country to assist those affected by the insurgency. Mr. Ganteh has also called on the public to help promote the objectives of the organization by working as volunteers upon filling in forms which are available at the Foreign Affairs Ministry.

### **Niger**

### **PANA Reports Rebel Attack on Tchintabaraden**

*AB0805155890 Dakar PANA in English 1516 GMT  
8 May 90*

[Text] Niamey, 8 May (ANP/PANA)—Rebels believed to be mostly Nigeriens who were recently repatriated from Libya attacked the township of Tchintabaraden, 700 kilometers north of Niamey on Monday, official sources in the capital of Niger said Tuesday.

The exact number of the attackers was not revealed, but it was announced in Niamey that six of them were shot dead and that three government policemen, two civilians and one prisoner also died in the attack.

Monday's attack on Tchintabaraden was the second after that of 1985. Nigerien officials say it is part of the inter-tribal war among nomadic tribes in the region who accuse each other of having failed to join an anti-government opposition group which has constituted itself in Libya. There is, however, no direct accusations against Libya.

The assailants accuse the government of Niger of having failed to keep promises it made on the conditions for their return from Libya.

Addressing deputies and development councillors in Niamey Tuesday, the president of Niger, Gen. Ali Saibou, denied having made any particular promises. "What we said during our official visit in Libya last year was that they can return whenever they wished since they are Nigeriens like others".

He revealed that the masterminds of the attack were Mohamed Abdullahi, who was until December 1989 minister in charge of state companies and a teacher, Abdoulmounin Mohamed, and Mohamed Ag Ahmoudou, a former advisor in the president's office, who was also involved in the 1976 coup attempt.

Abdullahi and Ag Ahmoudou were arrested while Abdoulmounin was shot dead Tuesday morning as he tried to seize a gun from soldiers guarding him after his arrest. The president revealed that all the people involved in the attack, including some who are still at large, belonged to one family.

### Rebels Reportedly From Libya

AB0805185590 Paris AFP in French 1819 GMT  
8 May 90

[Text] Niamey, 8 May (AFP)—The attack by "rebels" yesterday in Niger's subprefecture of Tchintabaraden has left 31 people dead, including 25 of the attackers, according to the NIGER NEWS AGENCY (ANP).

The other victims are a gendarme, two republican guards, a common prisoner, and two "civilians," whose duties have not been specified by the ANP. Among the 25 attackers killed was a teacher, Mohamed Abdoulmounin, who was trying to seize the weapon of a soldier after he had been arrested, the same source pointed out.

The "rebels," who had come from Libya, attacked the prison and the gendarmerie in Tchintabaraden (300 km northeast of Niamey.) Two of their leaders have been arrested. They are: Messrs. Mohamed Abdoulaye, minister in charge of state companies until December 1989 and Mohamed Ahmoudou, a former adviser in the president's office, the ANP pointed out. Some of the attackers have fled, according to President Ali Saibou, quoted by the ANP.

### President Meets With Advisers

AB0805135490 Niamey Domestic Service in French  
1200 GMT 8 May 90

[Text] President Ali Saibou of Niger this morning met with the deputies and national advisers. General Ali Saibou spoke about the current social and political situation in Niger. The head of state stressed, in particular, the issue of national unity and security. President Ali Saibou emphasized security in some regions of Niger, particularly in the north, where there is extreme tension. In fact, since 13 March several attempts at armed rebellion have been made at Ifrouane, (Tounfaminir),

(Avalak), (Tcivia), and Tchintabaraden through the organization of sporadic but concerted and organized action.

What was it all about? As you know, several thousands of our fellow countrymen were repatriated from Algeria and Libya [words indistinct]. While some of them returned home voluntarily, some were expelled. Loyal to his principles and commitments, and in his capacity as the father of the nation, President Ali Saibou deemed it necessary to visit their zones of resettlement to personally acquaint himself with their conditions of resettlement. The head of state made some recommendations for easing their social and economic resettlement. President Ali Saibou even said they are Niger nationals who have returned to live among other Niger brothers and should be received as such. It is these same Niger citizens, however, or at least some of them, who have been undertaking acts of sabotage, simply because they were once used to an easy lifestyle, whereas in present day Niger, the citizen earns his bread through the sweat of his labor. Therefore, on 13 March a group of 14 persons were intercepted and arrested as they were getting ready to attack Ifrouane.

The work of this group was to prepare the ground for other groups: procure food and explosives and find accomplices in order to perpetrate acts of sabotage against targets vital to the national economy. After an investigation, the first group was arrested. In the month of April, information was received that a group of 13 people was preparing to attack the (Tounfaminir) republican guards post to get weapons to attack the (Avalak) administrative post. Following an investigation, the group was neutralized.

The investigations were still going on when another group in the (Kao) zone kidnapped a forestry and wildlife guard, a village chief, and a blacksmith. Searches were carried out when another group attacked the gendarmerie and the Tchintabaraden civilian prison. Similar to the Tchintabaraden attack, another group planned to attack (Tcivia). There also, the assailants were arrested; there were 20 of them. In all, 25 of the assailants were killed. One gendarme, two guards, two civilians, and one prisoner were also killed.

Investigations into these attacks made it possible to discover the mastermind behind the incidents, the liaison and contact agents, as well as the ring-leader, who is none other than Mohamed Abdoulaye, who was the minister of public institutions, state firms, and parastatals, and later the subprefect of Dakoro.

Just when Niger is facing an unprecedented difficult economic situation and when the authorities are working hard to reduce the effects of these difficulties, unfortunate acts are being perpetrated by Niger citizens led astray by personal ambitions.

This compels us to speak out about national unity, security, and harmony. As you know, national unity remains a condition and an objective for our country—a

condition for harmony, calm, and peace, which are indispensable to our efforts to forge ahead to overcome underdevelopment and ensure peace and tranquillity for the people of Niger.

In the face of this situation, each of us must be more vigilant than ever because vigilance is the only condition for security, stability, and peace for our country as well as for every Niger citizen.

During the meeting, the head of state also spoke of the leaflets circulating in virtually all the regions of the country and the irresponsible attitudes of certain cadres who are fanning the flames of regionalism and who are undermining the foundation of our institutions and the Niger nation as a whole by committing a breach of confidence. These cadres should understand that the state will not condone sabotage.

Referring to the current situation in the schools, President Ali Saibou once again called on students to resume classes. Concerning new *Côtes* for examinations—the government rejects the idea of an invalid academic year—they will be fixed in close cooperation with the ministries concerned and the teachers.

Concerning the grievances of the Federation of Labor Unions of Niger [USTN], which is a nonpolitical organization, especially with regard to its 1 May appeal for the establishment of a multiparty system, the head of state said a commission headed by the chairman of the National Development Council [CND] has been set up to examine the question, and its recommendations will be submitted to a general meeting of the Higher Council for National Orientation. In any case, everyone should understand that any undertaking not based on national unity is doomed to failure. The USTN, the head of state pointed out, should above all defend the interests of workers, and not meddle in politics.

Finally, the president asked the mass organizations and the organizing structures of the National Movement of the Development Society and the CND to wake up and address their true tasks of building a united and prosperous nation where the people, who have deliberately decided to take charge of their destiny, are working for the same ideal of harmonious development and for a future society which is to be built in national unity and which is expected to safeguard the interests of the nation and of future generations.

### Nigeria

#### Babangida To Mediate Chad-Libya Conflict

AB0805192090 Lagos Domestic Service in English  
1800 GMT 8 May 90

[Summary from poor reception] "Nigeria has accepted a request to serve as a mediator in latest dispute between Chad and Libya." The Chadian leader made the request in a message delivered today in Lagos to President

Ibrahim Babangida when he received the Chadian foreign minister, Mr. Acheikh Ibn Oumar. President Babangida expressed concern over the renewed tension between the two countries "following the recent outbreak of fighting on the Chad-Sudan border.

He urged African leaders to ensure a peaceful resolution of problems between their countries and avoid armed confrontations. General Babangida commended the Chadian Government for its continued willingness to negotiate. "The Chadian foreign minister had earlier re-stated his country's position that the border with Libya must be properly demarcated."

#### Babangida Warns Politicians Over Census

AB1105071690 Lagos Domestic Service in English  
1500 GMT 10 May 90

[Text] Nigerian politicians have been warned not to undermine next year's national population census because the exercise is not a political issue. President Ibrahim Babangida, who gave the warning today in Lagos, said that a population census was a program for socioeconomic planning and development.

He was speaking while launching the Public Enlightenment Program of the National Population Commission. General Babangida advised the two political parties to desist from making pronouncements which did not center on the use of the census as a key for socioeconomic planning. He also asked the National Population Committee to tackle its public enlightenment campaign and utilize this if it wants to [words indistinct] of the census. The president said that Nigerians will demonstrate that they had confidence in the ability of the nation to count its citizens. He assured every Nigerian that census officials were not tax officials and that any information given would be treated confidentially. Gen. Babangida therefore appealed for the cooperation of all Nigerians to ensure the success of next year's exercise.

The chairman of the committee, Alhaji Shehu Musa, announced that a trial census will be conducted later this year. Before then, two more pretest censuses will be held throughout the federation. Alhaji Shehu Musa said that the commission would neither engage in propaganda nor adopt an aggressive approach in its enlightenment campaign. Rather, he maintains that the emphasis would be on education, information, and [word indistinct] persuasion to enable the population appreciate the objective of the headcount.

#### New Soviet Ambassador Arrives in Lagos

AB0805091490 Lagos Domestic Service in English  
2100 GMT 4 May 90

[Text] The new Soviet ambassador, Mr. (Anatoliy Buriakov) has arrived in Lagos. He succeeds Mr. Yuriy Kuplyakov, who has since returned home after spending four years in the country. Aged 61, Mr. (Buriakov) has entered the Soviet diplomatic service since 1962.



### \* Babangida's Hand Seen in Muslim Successions

34000611B London AFRICA CONFIDENTIAL  
in English 6 Apr 90 pp 3-4

[Text] Sixteen months after the controversial election of Ibrahim Dasuki as the eighteenth Sultan of Sokoto, his investiture finally took place on 15 March. Following the death of his predecessor Abubakar Siddiq III in November 1988, there were large-scale riots in the town of Sokoto, sparked by a rumor that Dasuki had been imposed on the sultanate by the federal government (AC Vol 29 No 22). Many buildings were set on fire, including the Bank of Credit and Commerce International, of which Dasuki was chairman. His house was saved only by the intervention of armed riot police.

Since then, Dasuki has acted to secure his position as northern Nigeria's spiritual leader, astutely retaining the services of Ahmadu Rufai Abubakar, one of Abubakar III's 52 children, as private secretary to the sultan, and moving strongly against his most vocal opponent, Shehu Malami.

Dasuki has remained, however, an unpopular and controversial figure. Even the choice of date for the turbaning ceremony was greeted with murmurs of discontent. It marks the anniversary of the north's internal self-government. But it is also the anniversary of the British conquest of the Sokoto Caliphate in 1903. Many Muslims regard it as an anniversary to forget rather than commemorate. Nor has the Sokoto elite forgotten that Dasuki was once private secretary to Ahmadu Bello, the Sardauna of Sokoto, who had been Abubakar III's chief rival during his succession process. Dasuki is also a figure of controversy because, although a direct descendant of Usman Dan Fodio (the leader of the 19th century jihad that created the Sokoto Caliphate) and thus eligible for the position of sultan, he is the first of the Buhari line of the family to be elected.

His divisive character may have severe consequences. Throughout the 1980s there were outbreaks of religious violence, both intra-Muslim (the Maitatsine disturbances) and between Muslims and Christians (the March 1987 Kaduna riots). Tension increased as a result of the debate on Sharia (Islamic law) and confusion over Nigeria's membership of the Organization of Islamic Conference (AC Vol 31 No 5). Many observers argue, however, that matters would have been far worse were it not for Abubakar's ability to appeal to the Muslim population to keep the peace. It is doubtful whether Dasuki will be able to attract equal respect or allegiance. The unanswered question, therefore, is why the government of President Ibrahim Babangida acted to secure the sultanate for Dasuki. The manner in which he was elected threatened upheaval within the North, and his appointment has raised the religious temperature.

There are two schools of thought as to the answer. Dasuki is a long-standing political ally of Babangida and, assisted by his two sons Aliyu and Samba, is rumored to have given financial support both for the ending of the

civilian rule of Shehu Shagari and subsequently for Babangida's coup against Muhammadu Buhari. Dasuki has never disguised his ambition to become sultan and many observers believe he succeeded by calling in political favors.

The second answer is both more contentious and more alarming. It has also received greater credence due to recent developments. Opponents of Babangida argue that he pushed for Dasuki's appointment to bolster his own long-term political objectives. For his 1985 coup, Babangida enlisted the support of Middle Belt Christians within the armed forces who had become marginalized under the northern-dominated Buhari regime. As a result, Babangida's northern political constituency has at best been weak. Although the choice of Dasuki may not have improved his popular standing, it has secured for Babangida a confidant as head of the Muslim hierarchy. The risk involved was substantial and would not have been taken. Babangida's opponents claim, unless his political ambitions extended beyond 1992.

Until recently this argument lacked substance. The transition to civilian rule, though not very smooth, has not been seriously questioned. From the very start Babangida has proclaimed his commitment to the transfer of power. Yet the belief that there may be another plan up his sleeve has been bolstered by the worst-kept secret of the year: that the Minister for Budget and Planning, Alhaji Abubakar Alhaji, universally known as 'Triple A', is to be made Sardauna of Sokoto. This is a move of considerable significance. The last Sardauna, Ahmadu Bello, was the northern region's first and only premier, before he was assassinated in 1966. Many regard him as the foremost statesman produced by Nigeria since independence. He was also the leading member of the informal group commonly referred to as the 'Kaduna Mafia', senior northerners of great influence who have made Kaduna their home. As if in deference to his memory, the position of Sardauna has remained vacant since his death. Abubakar Alhaji acted as master of ceremonies at Dasuki's investiture. As this is a role traditionally fulfilled by the Sardauna, it further fuelled rumors of his imminent accession.

Abubakar Alhaji is another ally of Babangida and has masterminded the government's approach to its economic structural adjustment programme. He entered the civil service in 1964 and has been a permanent secretary in various portfolios under every administration since 1975. In 1988 he was made a minister of state by Babangida, thus confirming his personal political ambitions. He is Dasuki's nephew, is also a member of the Dan Fodio family, and as Sardauna will be the heir-apparent to the Sultan of Sokoto. The position of Sardauna carries very great weight.

Through the appointments of Dasuki and Abubakar Alhaji, Babangida will have imposed himself on the northern hierarchy from the top, in terms both of religion and politics. Other key positions, those of central bank governor and head of petroleum resources, are

occupied respectively by Alhaji Abdulkadir Ahmed and Jubril Aminu, also both northerners. Such a line-up is formidable and may persuade Babangida that, if need be, he could pull in northern support and win a referendum either to postpone the transition process or even abandon it.

If Babangida is thus trying to strengthen his hand, then he is taking great risks. There is no certainty that Dasuki's authority will hold in time of crisis. Nor would Abubakar Alhaji necessarily be welcomed as Sardauna. Significantly, his properties in Sokoto were also attacked on the announcement of Dasuki's election. Babangida may find that he further alienates the north in an attempt to hijack its support. But the real danger is that he will undertake his next political move while mistakenly believing firm a foundation that is in fact built on shifting sand.

### Sierra Leone

#### President's Independence Anniversary Address

AB0105164290 Freetown Domestic Service in English  
0700 GMT 27 Apr 90

[Address by President Joseph Momoh to the nation on the 29th anniversary of independence in Freetown—live or recorded]

[Text] Fellow citizens. I want first of all to congratulate you on my behalf and on behalf of my entire government on this occasion of the 29th anniversary of the independence of our country. At 29, one may consider Sierra Leone to be very much advanced in age, but in the life of a nation, this is the time when basic foundations are being laid and are to be built upon in the years that lie ahead. This is the time also when as a young nation, we are being confronted with so many demands from all angles and sometimes we are not able to meet every

demand at the same time. [passage indistinct] We have been able to make progress over the years, but as we continue to face the harsh realities of our world, we are continually reminded that it is not more complex than we are readily able to judge.

However, fellow citizens, nation-building is not [words indistinct], it is a continuous endeavor. What is essential is that we fix our objectives as far as we are able to see and therefore attain them as our circumstances permit. In the last (?12 months), realizing that the nation is in a dire need of finding solutions to unfamiliar economic and social problems facing us, my government [words indistinct] and took economic measures, which although unpleasant for the moment are bound to yield positive results in the not too distant future. In the areas of finance management, agriculture, fishing, mining, and industry, major initiatives are now being taken and (?we have faith) that [words indistinct] our dreams will become reality.

But I can hear you fellow citizens asking me, how long shall we continue to put up with our present difficulties? I may not have a ready answer to this question. What I can say in all sincerity is that more than ever now is the time for you all to join hands with me and my government to ensure that the road upon which we have now embarked lead to a bright and successful end. [passage indistinct] Workers fellow Sierra Leoneans. I cannot relent in my appeal to you to give your fullest cooperation so that together, we may be able to [words indistinct]. To this end, I am determined to ensure that all sectors of my government perform in the best possible manner so that our collective aspirations are not frustrated.

It is on this note, fellow citizens, that I want to congratulate you all on this our anniversary and wish you the best of success in all your endeavors. Long live the people of Sierra Leone. Long live the Republic of Sierra Leone. I thank you all for your attention.

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14 May 1990

